


Technical note on
EU-wide Stress Test 2025

EBA's exercise executive summary



1. General overview

2. Main aspects of exercise

3. Type of information request

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General overview Executive summary

The EU-wide Stress Test 2025 conducted by the EBA will entail the effective anticipated application of CRR3 for the participating banks



Context

- The EBA should initiate and coordinate stress test exercises to assess the resilience of financial institutions.
- In this context, the EBA has released its **final document on the methodology, templates, and guidance for the 2025 EU-wide stress test** for informal consultation, based on a common methodology and scenarios, as well as on a set of templates that capture starting point data and stress test results to allow a rigorous approach.



Scope (Bank Sample)

- The stress test will be carried out on a sample of banks representing 75% of the consolidated assets of the banking system of the Eurozone, non-Eurozone Member States and Norway: 68 banks of which 54 from the Euro Area.



Next Steps

- The launch of the exercise in **January 2025** and in **March 2025** the advanced data collection submission.
- The 1^a submission of results will be in **April 2025**, and the 2^a submission in **June 2025**. Finally, the publication of results will be in **early August 2025**.

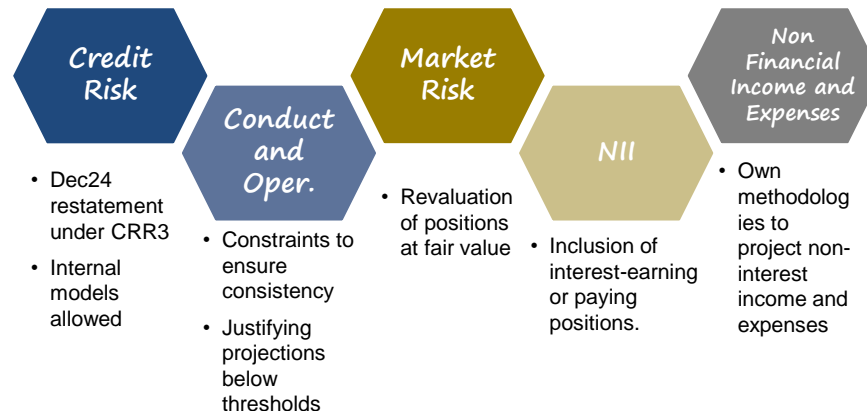


Key aspects

- The 2025 stress test builds upon the methodology used in the 2023 exercise, with improvements reflecting new insights and regulatory changes. Key updates include integrating the **CRR3** and the enhancement of the **centralisation of the NII projections**.
- **Bottom-up** approach and hypothesis of **static balance**
- The exercise includes two common scenarios: a **baseline scenario** and an **adverse scenario** over a time horizon of 3 years (2025-2027). Covered risks: **credit risk**, including securitizations, **market risk**, **CCR and CVA**, **operational and conduct risk**.
- Banks are also required to stress **NII, P&L elements and capital**.
- Results will be **input for the SREP**



Highlights



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General overview

Banks sample

Compared to EBA ST 2023 the sample coverage has been decreased by 8 fewer banks. The stress test will be carried out on a sample of banks representing 75% of the consolidated assets of the banking system of the Eurozone, non-Eurozone Member States and Norway

Banks participating in the 2025 stress test

- **68 banks**, of which 54 are from the Euro Area, representing more than 75% of total consolidated assets in the Eurozone, in countries outside the Eurozone and in Norway. **8 banks** have been eliminated **compared to the 2023** to the sample.
- Banks that enter the sample after broadly 70% coverage of the banking sector in the euro area, each non-euro area EU Member State and Norway is reached could apply **additional proportionality elements**, when interpreting the methodological note.

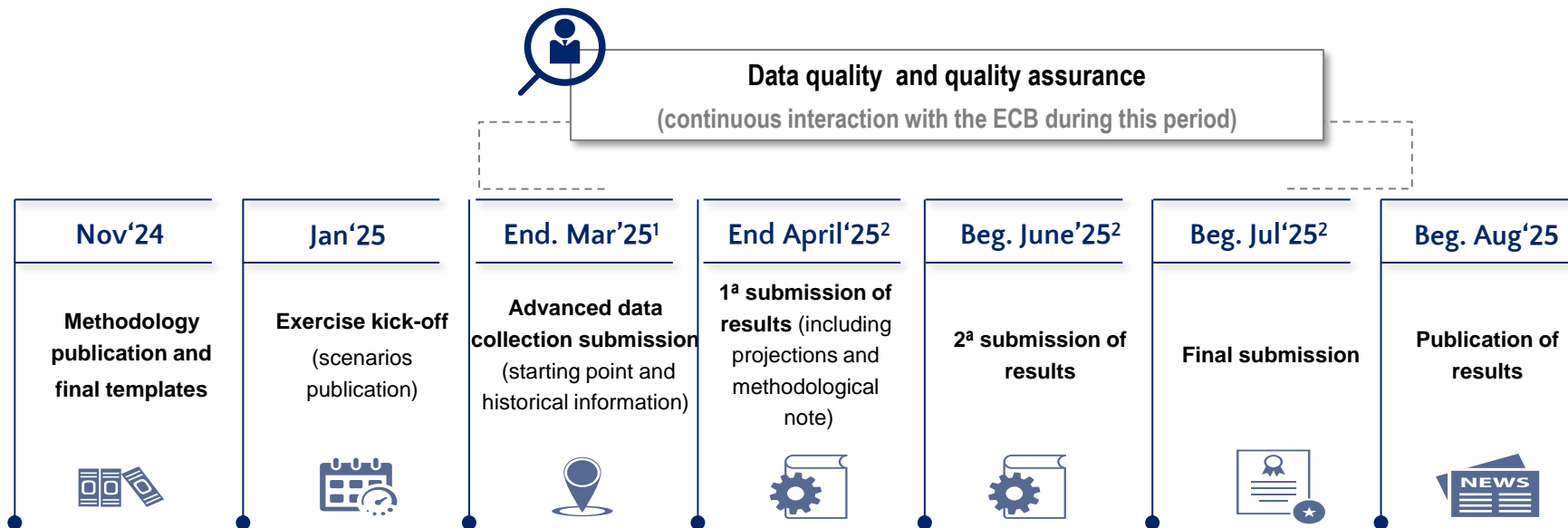
Number of banks subject to the exercise in the main countries



2

Main aspects of the exercise Calendar

The 2025 EBA stress test is scheduled to begin in January 2025 with the publication of the scenarios and final templates, and will finish at the end of July 2025 with the publication of the results



1. Preliminary dates based on previous EBA Stress Test exercises. Although submission dates have not been published, the EBA has anticipated that has considered adjustments to submission dates and FAQ process, to accommodate the transition to CRR3

2 | Main aspects of the exercise

Key aspects

The 2025 stress test builds upon the methodology used in the 2023 exercise, with improvements reflecting new insights and regulatory changes. Key updates include integrating the CRR3 and the enhancement of the centralisation of the NII projections

Bottom-up approach and static balance

- Banks will perform the 2025 stress test exercise following a constrained **bottom-up approach with some top-down elements (NFCI projections)**. Thus, banks are required to estimate the impact of the scenarios, although they are subject to **restrictions**.
- The stress test will be carried out under the hypothesis of **static balance**.

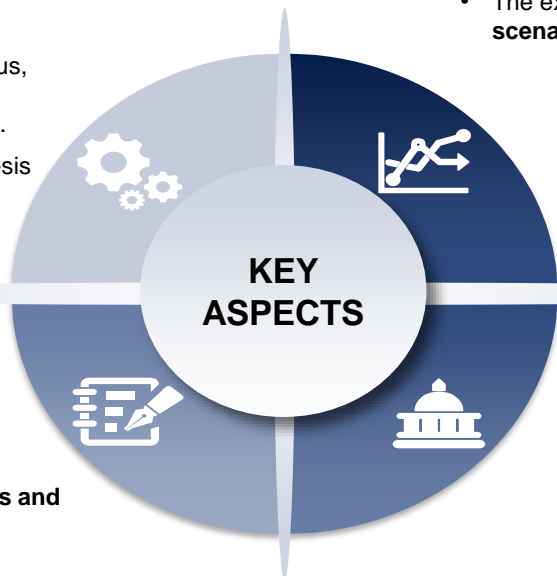
- Banks are required to stress:
 - **Credit risk**, including securitizations.
 - **Market risk, CCR and CVA**
 - **Operational and conduct risk**.
- Banks are also required to stress **NII, P&L elements and capital**.

Covered risks

Common base and adverse scenario

- The exercise includes two common scenarios: a **baseline scenario** and an **adverse scenario**.
 - The exercise is carried out on the basis of year-end 2024 figures, over a time horizon of 3 years (2025-2027).
 - The impact will be reported in terms of CET 1 capital¹. Also, the **Tier 1 capital ratio**, **total capital ratio** and LR will be reported.
- This exercise **will not be a 'pass-fail exercise'** (i.e. no minimum capital threshold has been set for banks to exceed).
- However, the CA will use the results of the stress test as **input for the SREP**².

Results will be input for the SREP



(1) Both phase-in and fully loaded ratios.
(2) In accordance with the EBA Guidelines on common procedure and methodologies for SREP and supervisory stress testing.

3

Type of information request General overview

In alignment with the last exercise, the 2025 stress test focuses mainly on assessing the impact of various risk factors on banks' solvency

Credit Risk

- **Provision** of starting point values (**credit risk losses and REA**) as of **31 Dec. 24** for actual and "restated" for the application of the **CRR3 (also for projections over 2025-2027)**. NEW
- **New template** requested with **IRB exposures recalculated under STA approach** as input to **output floor** calculation. NEW
- Permission to use **internal models** for the **projection of REAs** (floor REAs 2024 restated) **and credit losses** (otherwise, apply ECB benchmark).
- Specific **template for NPLs subject to backstops** of provisions.
- A **sectoral template for credit projections** is requested.

Conduct and Operational Risk

- Banks will stress their **conduct risk losses** under one of the following approaches, **subject to the floors** of the exercise:
 - **Material conduct events:** will be evaluated in a **qualitative** way..
 - **Non-material events:** to be evaluated using own **quantitative** methods.
- **Operational risk losses** will be stressed using **internal methods**, subject to the **floors** of the year. NEW
- Banks **are required to restate total capital requirements for operational risk at the starting point according to the CRR3**. NEW

Market Risk

- Banks are required to assess the full **revaluation of positions at fair value**, considering stressed market risk factor shocks and proportionality criteria for different revaluation approaches.
- Finally, the **implementation of FRTB is postponed**. NEW

Net Interest Income

- The **draft provides** **guidelines for projecting NII under the centralised approach**, as an enhancements for ST 2025 exercise. NEW
- All **interest-earning or paying positions**, except held-for-trading instruments and related hedges, are scope of NII methodology, NEW
- **Held-for-trading positions and their related hedges** are excluded and shall be **treated separately**.
- Application of **exchange rate impact** to the projection of the **NII**.

Non Financial Income and Expenses

- Banks must use their **own methodologies** to project non-interest income and expenses for both the baseline and adverse scenarios, subject to caps and floors
- For **NFCI**, banks must apply the **prescribed growth parameters**
- Application of exchange rate impact to projections of commissions and administrative expenses (and their one offs)
- For **Other remaining administrative expenses** a breakdown for the top 5 countries divided by staff expenses and other administrative expenses is requested (CSV_ORAE) NEW

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Type of information request

Main changes in the exercise (1/2)

Some important changes are introduced, notably the integration of the upcoming capital requirements regulation (CRR3)

1

CRR3 implementation

- For credit risk losses, credit REA, securitizations, and operational REA banks shall report **actual figures, according to the applicable regulatory framework** as of 31 December 2024, **and also, restated figures** as of 31 December 2024 **according to CRR3. Projections over 2025-2027, shall be done applying CRR3.**

Actual credit risk losses and REA shall be reported using COREP asset classes as of end-2024. **Restated figures** shall be reported using **CRR3 COREP asset classes**.¹

- Additionally, banks are required to **report a new template (CSV_CR_REA_OF) for IRB exposures**, including the **equivalent exposure and REA values recalculated under the STA approach** (restated and projections figures), that will serve as an **input** for the calculation of the **output floor**.

The **recalculated amounts** under the STA approach should be **reported both i) using a STA asset classes breakdown and ii) using the original IRB asset classes breakdown.**

- **No transitional arrangements for the output floor** (art. 465 of the CRR3) should be considered in the standardised REA at the starting point nor for the projections **within the CSV_CR_REA_OF template**
- **CRR3 transitional arrangements for unconditional cancellable commitments** (art. 495d of the CRR3) should **not be considered in REA projections** (in CSV_CR_REA and CSV_CR_REA_OF). The impact of these transitional arrangements will be **considered within the CSV_CAP template**
- **CRR3 transitional arrangements for equity exposures** (art. 495 and 495a of the CRR3) as well as the transitional adjustments **for specialised lending exposures and for leasing exposures as a CRM technique** (art. 495b, 495c of the CRR3) **should be considered for the projections of REA within the CSV_CR_REA template.** The impact of these transitional arrangements will be reported as an “of which” item within the **CSV_CAP template.**

¹ Banks that have been granted permission to use the IRB approach for the calculation of REA for equity exposures up to 31Dec2024 should continue to report these exposures under the IRB approach in the restated starting points and projections following the application of CRR3

3

Type of information request

Main changes in the exercise (2/2)

Some important changes are introduced, notably the integration of the upcoming CRR3

2

Net Interest
Income

- **Enhancements of Stress Test 2025 exercise is the inclusion of a centralisation approach** of net interest income (NII) projections. For the portfolios that fall under the scope of the NII centralised approach, the **projections for margin component and reference rate are based on the output of the NII centralised calculations**. In case of **derivatives portfolios**, only **reference rate projections** are centralised. Banks shall project **memo items**, both **reference rate** and **margin component**. The calculation methodology is **consistent** with the previous exercise.
- **Net interest income from held for trading and their related hedges are excluded from NII methodology and should be treated separately** with another methodology, except from economic hedges that are part of the held for trading book but are held with the purpose of hedging non-held for trading instruments which are in scope of regular NII methodology.
- The **treatment of held-for-trading positions** excluded from NII methodology **is based on the historical data** (average between 2022-2024) including the effect of the related economic hedges. The resulting NII does not enter on the calculation of the aggregate NII cap, but **it is added to the NII after the application of NII cap**.
- **Liabilities and assets for which funding matches are recognised**, banks are required to provide the starting point volumes and maturity schedules in the relevant rows of the new template CSV_NII_CALC_FUNDING_MATCH.
- **Further detail on applicable legal floor sight deposits** which required banks to provide evidence about its application to CA and legally exempted **new business margin component calculation** is required.

3

Type of information request Changes per template (1/4)

Compared to the 2023 stress test, certain differences are observed in some templates

Template				
Template type	Field	Template name	Description	Changes detail
CSV ¹	Credit risk	CSV_CR_SUM	Credit risk - Summary	<i>"Restated" data by allocating exposures as of 31 Dec. 2024 to the exposure classes in accordance with CRR3 REA restated and projections figures calculated under CRR3</i>
CSV	Credit risk	CSV_CR_SCEN	Credit risk - Scenarios (projection for credit risk losses)	
CSV	Credit risk	CSV_CR_SECTOR	Credit risk - Exposures by sector of economic activity	
CSV	Credit risk	CSV_CR_REA	Credit risk - REA	
CSV	Credit risk	CSV_CR_REA_OF	Credit risk - REA Output Floor	<i>For exposures under the IRB approach, equivalent exposure and REA values recalculated under the STA approach</i>
CSV	Credit risk	CSV_CR_REA_IRB	REA - IRB approach floor	<i>Additional rows to consider restatement of starting point exposures and projections in accordance with CRR3</i>
CSV	Credit risk	CSV_CR_REA_ST A	REA - STA floor	
CSV	Credit risk	CSV_CR_SEC_SUM	Securitisations - Summary	<i>Restated REA values assuming the same CQS allocation at the starting point</i>
CSV	Credit risk	CSV_CR_SEC	Securitisations	<ul style="list-style-type: none"> The amount of exposures that are not subject to mark-to-market valuation separately reported New column "Memo item: Exposure value (pre-floor)": pre regulatory-floor risk weight data at the starting point
CSV	Credit risk	CSV_CR_NPL	NPL calendar	<i>Consideration of forbearance measures in the starting points as per COREP 35.03</i>
CSV	Market risk, CCR losses and Value reserves	CSV_MR_SUM	Market risk - Summary	<i>The maximum FRTB-ASA REA for SBA & RRAO (as reported in COREP 91) of the last four quarters</i>
CSV	Market risk, CCR losses and Value reserves	CSV_MR_FULL_REVAL	Market risk - Full revaluation template	<ul style="list-style-type: none"> Information broken down by hedged items and hedging instruments Granular second order sensitivities ('gamma' and 'vega') of positions to IR, FX, equity, commodity, and inflation risk Information on balance sheet position, IFRS 9 measurement type, type of instrument and related hedges, type of counterparty and sensitivity

No changes between the 2023 and 2025 stress tests

Differences between the 2023 and 2025 stress tests

New templates in the 2025 stress test

3

Type of information request

Changes per template (2/4)

Compared to the 2023 stress test, certain differences are observed in some templates

Template type	Field	Template name	Description	Template
				Changes detail
CSV	Market risk, CCR losses and CVA	CSV_MR_RESERVE	Market risk - Revaluation of reserves	<i>The columns of the template show the accounting reserve, projected adverse scenario reserve from full revaluation, and the delta sensitivities of CVA to different risk factors</i>
CSV	Market risk, CCR losses and CVA	CSV_MR_PROJ	Market risk - Projection of client revenues items held with a trading intent and their related hedges	
CSV	Market risk, CCR losses and CVA	CSV_MR_CCR	Market risk - Counterparty defaults	
CSV	Market risk, CCR losses and Value reserves	CSV_MR_OPT_REVAL	Market risk - Optional full revaluation template	<i>Only for Banks classified as CA-adv with details of the revaluation of trading book's optional derivatives</i>
CSV	Market risk, CCR losses and CVA	CSV_MR_REA	REA - Market risk	<i>Inclusion of MR REA for the computation of the output floor and memo item of which: risk not in VaR (RNIME)</i>
CSV	NII	CSV_NII_SUM	NII - Summary	<i>New tables for reporting of regulated deposits; legal floor deposits; legally exempted products due to asset-liability matches; and accrued interest cash flows from trading book instruments</i>
CSV	NII	CSV_NII_CALC	NII - Calculation	
CSV	NII	CSV_NII_CALC_FUNDING_MATCH	NII - Reporting of asset liability matches	<i>Fill the starting point sections, for the fixed and floating rate portfolios only for the exposures which are in scope of paragraphs 427 and 429 of the 2025 EU-wide stress test methodological note.</i>
CSV	Conduct risk and other operational risks	CSV_OR_GEN	Conduct and other operational risk losses	<ul style="list-style-type: none"> Restated total capital requirements for operational risk at the starting point under CRR3 Business indicator component (mln EUR) should be provided by all banks.
CSV	Conduct risk and other operational risks	CSV_OR_CON	Material conduct risk losses	
CSV	Non-interest income, expenses and capital	CSV_REA_SUM	REA - Summary	<i>Inclusion of standardised total risk exposure amount (STREA) for output floor</i>
CSV	Non-interest income, expenses and capital	CSV_NFCI_DIV	Evolution of net fee, commissions income and dividend income	
CSV	Non-interest income, expenses and capital	CSV_ONEOFF	Adjustments for non-recurring events (one-offs)	

No changes between the 2023 and 2025 stress tests

Differences between the 2023 and 2025 stress tests

New templates in the 2025 stress test

3

Type of information request

Changes per template (3/4)

Compared to the 2023 stress test, certain differences are observed in some templates

Template				
Template type	Field	Template name	Description	Changes detail
CSV	Non-interest income, expenses and capital	CSV_MDA	Calculation of potential distribution restriction following breach of the risk-based MDA trigger level	
CSV	Non-interest income, expenses and capital	CSV_LR_MDA	Calculation of potential distribution restriction following breach of the Leverage ratio MDA trigger level	
CSV	Non-interest income, expenses and capital	CSV_CAP	Capital	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3</i>
CSV	Non-interest income, expenses and capital	CSV_P&L	Evolution of P&L	
CSV	Non-interest income, expenses and capital	CSV_CAPMEAS	Major capital measures and material losses	
CSV	Non-interest income, expenses and capital	CSV_ORAE	Other remaining administrative expenses	<i>Breakdown for the top 5 countries divided by staff expenses and other administrative expenses</i>
TRA ¹	N/A	TRA_SUM	Summary adverse or baseline scenario (stress test results)	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3</i>
TRA	Credit Risk	TRA_CR_IRB	Credit risk (loss projection) IRB	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3</i>
TRA	Credit Risk	TRA_CR_STA	Credit risk (loss projection) STA	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3</i>
TRA	Credit Risk	TRA_CR_SEC	Credit risk - Securitisations (REA projection)	
TRA	Non-interest income, expenses and capital	TRA_REA	REA (projection)	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3 New rows: standardized total REA for output floor (transitional) and standardized total REA for output floor</i>

No changes between the 2023 and 2025 stress tests

Differences between the 2023 and 2025 stress tests

New templates in the 2025 stress test

3 | Type of information request

Changes per template (4/4)

Compared to the 2023 stress test, certain differences are observed in some templates

Template				
Template type	Field	Template name	Description	Changes detail
TRA	Non-interest income, expenses and capital	TRA_CAP	Capital (projection)	<i>Restated data as of 31 Dec. 2024 in accordance with CRR3 New rows: total risk exposure amount and output floor; and shortgages</i>
TRA	Non-interest income, expenses and capital	TRA_P&L	P&L (projection)	<i>New row: total assets</i>
TRA	Non-interest income, expenses and capital	TRA_CAPMEAS	Major capital measures and material losses	
Total CSV			32	
Total TRA			8	

No changes between the 2023 and 2025 stress tests

Differences between the 2023 and 2025 stress tests

New templates in the 2025 stress test

A

Annex

List of participants (1/2)

Country	Entity
AT	Erste Group Bank AG
	Raiffeisen Bank International AG
BE	Belfius Banque SA
	KBC Group NV
DE	Bayerische Landesbank
	Citigroup Global Markets Europe AG
	COMMERZBANK Aktiengesellschaft
	Deutsche Bank AG
	DZ BANK AG Deutsche Zentral-Genossenschaftsbank
	Goldman Sachs Bank Europe SE
	J.P. Morgan SE
	Landesbank Baden-Württemberg
	Landesbank Hessen-Thüringen Girozentrale
	Morgan Stanley Europe Holding SE (**)
	Norddeutsche Landesbank – Girozentrale (**)
Volkswagen Bank GmbH (*)	
DK	Danske Bank
	Jyske Bank
	Nykredit Realkredit

Country	Entity
ES	Banco Bilbao Vizcaya Argentaria S.A.
	Banco de Sabadell S.A.
	CaixaBank, S.A.
FI	Unicaja Banco, S.A. (**)
	Nordea Bank Abp
FR	OP Osuuskuunta (**)
	BNP Paribas S.A.
	BofA Securities Europe SA
	Confédération Nationale du Crédit Mutuel
	Groupe BPCE
	Groupe Crédit Agricole
	HSBC Continental Europe
	La Banque Postale
	Société Générale S.A.
	GR
Eurobank Ergasias Services and Holdings S.A. (**)	
National Bank of Greece S.A. (**)	
HU	Piraeus Financial Holdings S.A. (**)
	OTP Bank Nyrt.
	MBH bankcsoport (**)

Banks marked with an asterisk (*) are provisionally included in the sample for potential adjustments.

Banks marked with two asterisks (**) are subject to additional proportionality elements.

A

Annex

List of participants (2/2)

Country	Entity
IE	AIB Group plc (**)
	Bank of America Europe Designated Activity Company
	Bank of Ireland Group plc (**)
	Barclays Bank Ireland plc
	Citibank Europe plc
IT	Banca Monte dei Paschi di Siena S.p.A. (**)
	Banco BPM S.p.A.
	BPER Banca S.p.A.
	Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A.)((**)
	ICCREA Banca S.p.A. – Istituto Centrale del Credito Cooperativo
	Intesa Sanpaolo S.p.A.
	Mediobanca - Banca di Credito Finanziario S.p.A. (*)
	UniCredit S.p.a.
NL	ABN AMRO Bank N.V.
	Coöperatieve Rabobank U.A.
	ING Groep N.V.
PL	DNB Bank Group
	Bank Polska Kasa Opieki SA
	Powszechna Kasa Oszczednosci Bank Polski SA
PT	Banco Comercial Português, SA (**)

A | Annex

Abbreviations


Abbreviations	Meaning
APR	All price risk
AMA	Advanced Method of calculation (of operational risk)
ALM	Assets and Liabilities Management
BB	Investment portfolio
CA	Competent Authorities
CCR	Counterparty Credit Risk
CVA	Adjustment for credit risk assessment
EaR	Earnings at Risk
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
ECL	Expected Credit Loss
EIR	Effective interest rate
ESRB	European Systemic Risk Board
EU	European Union
FRTB	Fundamental review of the trading book
FV	Fair value
FVO	Fair value option
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss

Abbreviations	Meaning
FVPL	Fair value through profit or loss
HFT	Held for Trading
IFRS	International Financial Reporting Standards
IRB	Internal ratings-based model
IRC	Incremental risk capital requirement
LGD	Severity
NCB	National Central Banks
NII	Net Interest Income
NTI	Net Trading Income
OCI	Other Comprehensive Income
PD	Probability of Default
P&L	Profit and Loss
REA	Risk Exposure Amount
SREP	Supervisory Review and Evaluation Process
S1/S2/S3	Stage 1 / Stage 2 / Stage 3
SSM	Single Supervisory Mechanism
STA	Standard method
SVaR	Value at Risk Stressed
VaR	Value at Risk




International
One Firm


Multiscope
Team


Best practice
know-how


Proven
Experience


Maximum
Commitment

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