

EU RegCORE Client Alert

Financial Services

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What the ECB's 2027–29 supervisory priorities mean for banks and their clients

QuickTake

In the 2026 geopolitical reverse stress test run by the European Central Bank (**ECB**), 39% of participants identified deposit or loan repricing as a possible response. That was a proposed management action. It raises an immediate legal and commercial question: which prices could the bank actually change, under which agreements, and by when? On 19 November the ECB published the results of its 2026 Supervisory Review and Evaluation Process (**SREP**) and its supervisory priorities for 2027–29.[1] For the board approving its 2027 plan, the question is where a change in risk appetite can alter the terms offered to the next customer and where the bank has already made a commitment. This alert reflects the position as at 20 November 2026.[2]

The ECB acts here within the Single Supervisory Mechanism (**SSM**). Its two priorities remain financial resilience to geopolitical and macro-financial shocks, and operational resilience and information and communication technology (**ICT**). Their conduct implications emerge at the point of delivery. A lender may tighten its policy for new mortgages. A corporate borrower may already be entitled to draw a committed facility. A payments customer may need to know what has happened to a transfer during a provider outage. Each

[1] Available here.
[2] See ECB, Supervisory priorities 2027–29, sections 1 and 2. See also ECB, 2026 SREP results and 2027–29 priorities, 19 November 2026. ECB, Aggregated results of the 2026 SREP, section 3.1, changes in individual Pillar 2 requirements.

case is likely to call for a different response from the bank. One illustrative case involves a bank whose capital relief through a significant risk transfer is delayed just as a fund delivers a valid drawdown notice: the bank can revise its capital plan and the price of a requested extension, but the borrower may still be entitled to draw tomorrow on yesterday's terms.

Before relying on a proposed action, it helps for management to identify the legal entity that must act, the right or obligation under the relevant agreement and the time available. It can then check what the customer was promised. One effective way to find a gap is to read one credit decision, the signed terms and the customer communication together.

The repricing assumption deserves the same test. For payment accounts held by consumers, PSD2 Article 54 generally requires changes to the framework contract to be proposed at least two months before they take effect, although changes in interest rates based on agreed reference rates may apply immediately. In Germany, the Federal Court of Justice held in April 2021 that general terms deeming a customer's silence to be consent to fee and contract changes are invalid under §307 BGB, so a bank is unlikely to be able to rely on such clauses to reprice existing customers. For corporate loans, the usual levers are margin ratchets, increased-costs and market-disruption clauses. A change in the bank's own risk appetite will rarely trigger any of them. A repricing assumption in the capital plan is therefore more robust where it identifies the clause, the notice period and the customer segments to which it actually applies.[3]

Our December 2025 Client Alert, ECB-SSM publishes its Annual Work Programme 2026, examined underwriting standards, implementation of the revised Capital Requirements Regulation (**CRR III**), cloud exit arrangements, risk data and artificial intelligence (**AI**). The new programme builds on several of those reviews, using the 2026 findings to identify outliers and select transactions and service arrangements for closer examination. For clients, the consequences are likely to be felt at origination, at renewal and when a service fails.

What's changed since our 2026 alert

Against that background, the new programme extends to 2029 and is reviewed annually. Joint Supervisory Teams (**JSTs**) select activities in light of each significant institution's risks and open findings. The table compares our published 2026 analysis with the ECB's new programme. Some entries concern a limited group of banks. Others affect the evidence that any directly supervised bank may need to produce during its regular supervisory dialogue.[4]

Workstream	Position in the 2026 alert	Position at 20 November 2026
Credit and private markets	New lending, exceptions and risk-based pricing were central. We highlighted borrower reporting, collateral and concentration limits.	Outlier reviews will examine residential and corporate creditworthiness. A separate inspection campaign will cover fund finance, asset-based lending and higher-risk non-bank exposures concentrated at particular banks.
Capital and securitisation	We recommended independent checks of standardised calculations and of management actions assumed in capital planning.	CRR III reviews will cover more banks. Selected originators will be subject to a 2027 review of significant risk transfer (**SRT**) across transactions, risk appetite and capital plans, alongside targeted inspections of synthetic SRT.
Climate and nature	We highlighted board ownership of prudential transition plans and the need to quantify physical risk.	The ECB will conduct a thematic review of transition planning in 2027. It intends targeted inspections of water-related risks in 2028.

[3] See PSD2, Article 54(1)–(2). BGH, judgment of 27 April 2021, XI ZR 26/20. §307 Bürgerliches Gesetzbuch (BGB).

[4] PwC Legal, ECB-SSM publishes its Annual Work Programme 2026, 5 December 2025. ECB, Supervisory priorities 2027–29, section 1, Figure 1 and sections 2.2–2.3.

Workstream	Position in the 2026 alert	Position at 20 November 2026
ICT and cloud services	Cloud concentration, implementation of the Digital Operational Resilience Act (**DORA**) and rehearsed exits already featured in the work programme.	The ECB will continue its work on cloud dependencies through a targeted review. It will refocus supervisory follow-up on material outstanding ICT findings and continue inspections of cyber and third-party risk management.
Artificial intelligence	The focus was on digital strategy, high-impact use cases, model governance and supervisory workshops.	AI now forms part of regular technology-risk supervision, with pilot reviews at selected banks. Supervisors will also follow up on the action plans requested in response to AI-enabled cyber threats.
Risk data and reporting	We recommended tracing material figures to their source, reducing manual work and validating remediation.	Many severe measures fall due under bank-specific timetables at end-2026 or in 2027. Follow-up inspections will test the correction of complex findings.

Prudential supervision and the treatment of clients

Each of these workstreams can also surface as a conduct issue. The ECB's 2026 SREP reports that legal and conduct risk together contributed the most to total operational losses.[5] A disputed hedge or a recurring error in a lending process can therefore matter to a JST through losses, controls and governance. National authorities remain responsible for financial consumer protection within their respective mandates. A bank investigating customer harm will usually want to identify who can put it right, which conduct authority is competent and what the issue reveals about the controls reviewed by its prudential supervisor.

In the 2026 SREP, the ECB changed the individual Pillar 2 capital requirement for 61% of supervised entities. Aggregate requirements remained broadly stable. Individual requirements rose for some banks and fell for others, reflecting individual risk profiles, the revised assessment of risk drivers, or both. The ECB issued new qualitative measures to 78 banks, although the number of new measures fell by around half. A SREP decision can contain both qualitative requirements and recommendations in the same annex. The distinction matters: a requirement imposed under Article 16 of the SSM Regulation is a binding supervisory decision whose breach can lead to enforcement and sanctions, while a recommendation is not legally binding, although supervisors are likely to expect any departure to be explained. It is worth Legal reading the operative wording of each item alongside any operational letter, identifying the responsible entity and recording the due date and evidence of completion. Article 16 provides powers to require stronger arrangements or a time-bound plan where its conditions are met. For less significant institutions, national supervisors can use the priorities as a reference for proportionate oversight.[6]

Credit decisions and the terms offered to borrowers

Credit is where that link to clients is most direct. The ECB's 2026 review of new lending gives supervisors a basis for identifying underwriting outliers. Follow-up work will examine borrower creditworthiness in residential real estate and corporate lending. An on-site campaign will cover underwriting, with targeted inspections on loan pricing. A separate campaign will examine fund finance, asset-based lending and exposures to non-bank financial institutions (**NBFIs**). The ECB sees material exposures to the riskier counterparties at

[5] See ECB, Aggregated results of the 2026 SREP, discussion of operational risk and the contribution of legal and conduct risk to operational losses.
[6] See ECB, Aggregated results of the 2026 SREP, section 3.1, changes in individual Pillar 2 requirements, and discussion of qualitative measures. Council Regulation (EU) No 1024/2013 (SSM Regulation), Article 16.

a relatively small number of banks. For a retail bank, the natural starting point is the credit file. For a lender to funds, it is the customer and the agreement through which the exposure arises.

What the mortgage borrower was offered

Start with the retail customer. Take a consumer mortgage approved as an exception to affordability policy. Under the national rules implementing the Mortgage Credit Directive, the lender must assess repayment capacity before concluding an in-scope agreement. The file should show the information verified, how the borrower could service the loan and who authorised the exception. Reconcile the rate, fees and annual percentage rate of charge in the personalised European Standardised Information Sheet with the offer ultimately made. If the characteristics of the binding offer differ from those on the earlier sheet, check that the borrower received an updated sheet with the offer. That file can serve both an underwriting review and a customer complaint.

The harder case is the bank discovering six months later that its affordability assessment was defective. Under Article 18(4) of the Mortgage Credit Directive, the lender generally cannot cancel the agreement or alter its terms to the borrower's detriment on the ground that the assessment was incorrectly conducted. The exception concerns relevant information the consumer knowingly withheld or falsified. CCD2 Article 18(7) provides a parallel rule for credit within its scope. In Germany, §499(3) BGB gives the domestic anchor. The consequences of the bank's own underwriting error therefore generally stay with the bank: remediation is likely to lie in its controls, the pricing of future business and any redress due, rather than in the signed agreement. This is the retail counterpart to the committed fund draw discussed below.[7]

When a consumer asks for a person to review the decision

Other consumer credit now carries its own review right. For new in-scope consumer credit, 20 November 2026 is the date from which Member States are required to apply measures implementing the revised Consumer Credit Directive (**CCD2**).[8] Article 18(8) applies where the creditworthiness assessment involves automated processing of personal data, including where an officer signs off the result. The consumer must be informed of the right to request and obtain human intervention, including an explanation of the assessment, the opportunity to give their own view and a review of the assessment and the lending decision. Article 18(9) governs rejection notices. These rights sit alongside Article 22 GDPR: in *SCHUFA* (C-634/21), the Court of Justice held that an automatically generated credit score can itself be an automated decision where a lender draws strongly on it, so data protection and consumer credit teams may benefit from reviewing the same process together. Existing agreements generally remain under the earlier regime until termination, subject to specified exceptions for open-ended credit. The consumer mortgage above falls under the separate mortgage regime.[9]

Consider an applicant whose irregular income the scoring tool misclassified. Can the officer explain which input affected the decision, hear the applicant's account, consider corrected evidence and send a reasoned response? If the bank also presents a personalised offer based on automated processing of personal data, Article 13 requires clear disclosure of that fact. A bank can test both communications by following the same application from its scoring system to the message received by the customer.[10]

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[7] See Directive 2014/17/EU (Mortgage Credit Directive), Article 18(4). Directive (EU) 2023/2225 (CCD2), Article 18(7). §499(3) Bürgerliches Gesetzbuch (BGB).
[8] See Directive (EU) 2023/2225, Article 48 (transposition and application dates) and Article 47 (transitional provisions).
[9] See Regulation (EU) 2016/679 (GDPR), Article 22. CJEU, judgment of 7 December 2023, SCHUFA Holding (Scoring), C-634/21, EU:C:2023:957.
[10] See Directive (EU) 2023/2225, Articles 13 and 18(8)–(9).

What a fund can disclose and what its lender can require

At the wholesale end, the question shifts from affordability to information. Consider a bank that lends to a fund against investors' undrawn commitments, lends separately to a company the fund owns and provides a hedge to the fund. A fall in the company's value can coincide with drawings on the fund's credit line and margin calls under the hedge. The ECB's earlier private markets review found that exposures could accumulate at different levels of a fund structure and that some banks struggled to identify where they lent alongside private credit funds. The new work will follow up earlier recommendations on fund financing as well as examine higher-risk exposures on site.[11]

Legal and Credit can draw two views of the same relationship. The first identifies the borrower or derivatives counterparty, security, guarantee, margin terms and rights to current information under each agreement. The second shows which exposures would deteriorate together. Common sponsorship can explain economic dependence. Recourse to another entity's assets or the ability to net claims requires its own legal basis.

Suppose the manager supplies quarterly valuations and the bank now wants monthly figures. At renewal it can negotiate a reporting covenant, valuation challenge rights or a different borrowing base. For a live facility, a sensible first step is to establish what the fund must deliver, whether it can disclose portfolio-company information and what consent is available. Where confidentiality limits disclosure, the parties can agree aggregated figures or an independent valuation. An internal change to the bank's risk limit gives the deal team a reason to start that conversation. The agreed draw conditions determine how it must handle a draw request. It helps the relationship manager to distinguish a price the bank proposes at renewal from any specific supervisory requirement. The sponsor's own question is likely to be: can we preserve a valid draw while offering aggregated figures or an independent valuation in response to the new information request?

When the lending bank recommends a hedge

The same lending relationship can extend to hedging. A bank lends to a sponsor-backed company and personally recommends an interest-rate swap to that company. The credit desk may favour a hedge that protects debt service for the full loan term. The borrower expects to repay early and could face a break cost. For the investment service, identify the actual client and its classification, manage the conflict and assess the suitability of the recommendation under MiFID II. Record why the hedge amount and maturity suit the borrower and how early repayment would affect it. The exposure is also civil: under German case law, an advising bank may have to disclose a swap's initial negative market value as a conflict of interest, and an advisory breach can found a damages claim. This analysis turns on the service provided. Extending ordinary corporate credit does not, by itself, generally amount to investment advice.[12][13]

Capital planning and significant risk transfer

Credit decisions ultimately feed into the bank's capital plan. The ECB is extending its CRR III work on standardised credit risk weights and the business indicator component for operational risk. Its review of banks' internal capital adequacy assessment processes (**ICAAPs**) also examines whether proposed management actions are feasible. The 2026 geopolitical reverse stress test identified ambitious assumptions about asset sales and capital raising. A bank planning a disposal will want to establish which entity owns the asset, who must consent and when the proceeds will reach the entity that has promised the client funding.

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[11] See ECB, Complex exposures to private equity and credit funds require sophisticated risk management, 13 November 2024, Figure 1 and discussion of risk management practices. See ECB, Supervisory priorities 2027–29, section 2.2, private markets.
[12] See BGH, judgment of 22 March 2011, XI ZR 33/10 (CMS Spread Ladder Swap), and BGH, judgment of 28 April 2015, XI ZR 378/13.
[13] See Directive 2014/65/EU (MiFID II), Article 23, conflicts of interest. MiFID II, Article 25(2), assessment of suitability when providing investment advice.

When investor financing changes the route to capital relief

Capital relief through securitisation adds a further dependency. Since January 2026, eligible synthetic securitisations have been able to use the ECB's faster notification and assessment route. The ECB reports that roughly 30% of synthetic transactions meet its criteria. Notification data also inform its view of vulnerabilities across banks. In 2027 it will review selected originators' significant risk transfer (**SRT**) strategies, risk appetite, management of transactions from inception to maturity and treatment of SRT in the ICAAP. Targeted inspections will cover synthetic SRT.

Before assuming the fast-track timetable, ask what the bank is financing. For an ordinary private-sector transaction, the ECB guide excludes it from that route if the originating significant institution has close links with the investor or provides financing related to the investor's investment in the securitisation.[14] A general-purpose facility to a group member may warrant an enquiry into its use. If proceeds finance the investment, allow for the regular assessment process when planning new customer commitments. Eligibility for the fast track and recognition of significant risk transfer are separate assessments. Financing the protection seller also raises the prohibition on implicit support in Article 250 CRR: support beyond the originator's contractual obligations can cost it the capital relief for the transaction.[15]

Identify the originator, the entity recognising the capital benefit and the entity committed to lend. Where a non-euro-area bank originates a securitisation and its euro-area parent intends to recognise the capital reduction at consolidated level, the guide expects the parent to notify the ECB. A group capital forecast will still need to show how the lending subsidiary can meet a draw on the promised date.[16]

Consider an originator whose protection trade is delayed just as a fund delivers a valid drawdown notice. At an illustrative management target of 12.5% for its Common Equity Tier 1 ratio, €80 million more risk-weighted assets than planned would absorb €10 million of headroom against that target, all else equal. Treasury has a capital decision. It may also ask whether the lending entity has the cash on the draw date: a group capital benefit and the ability of a particular subsidiary to fund a drawing are distinct management questions. The relationship team must honour a drawing that meets the agreed conditions and assess a requested increase or extension on its own terms. The bank can quote a new price for the requested extension. Changing the agreed price on the existing facility will generally require a contractual basis or the borrower's agreement.[17]

Climate and nature in the credit portfolio

When water availability changes a renewal decision

Climate and nature risks reach the same renewal decisions by a different route. The ECB's structured dialogues on prudential transition planning lead into a 2027 thematic review. It also intends targeted inspections of water-related risks in 2028. Article 76(2) of the Capital Requirements Directive, as amended by CRD VI, requires Member States to ensure that management bodies develop and monitor plans with quantifiable targets for financial risks arising from environmental, social and governance factors. For a lender to water-intensive industry, take one river basin. Two borrowers in the same river basin may have different water rights, contingency supplies and insurance exclusions. Those facts are worth checking before changing a

[14] See ECB, Guide on the notification of significant risk transfer and implicit support for securitisations, section 3.3.2, p. 8.
[15] See Regulation (EU) No 575/2013 (CRR), Articles 245 and 250.
[16] See ECB, Guide on the notification of significant risk transfer and implicit support for securitisations, section 1, p. 1.
[17] See ECB, Financial Stability Review, Bank reliance on credit protection providers via synthetic risk transfers, 18 November 2026, on rollover risks and mitigants. The figures in the example are illustrative.

limit at renewal. If a borrower can demonstrate an alternative supply, record whether it changes the decision and give the relationship manager an accurate basis for explaining any revised terms.[18]

For banks taking part in the 2027 EU-wide stress test run by the European Banking Authority (**EBA**), the final methodology adds a dedicated module for transition and physical risk, including flooding. Its results are separate from the core stress test outcome. The exercise is scheduled to start in January 2027, with results due by the end of July. A bank can reuse exposure data across these exercises while documenting the different questions each answers.[19]

Operational resilience and technology risk

The ECB's second priority, operational resilience, examines whether the bank can continue to deliver its services when systems fail. The ECB will follow up material ICT findings and continue separate on-site campaigns on cybersecurity and third-party risk management. Its programme includes cloud dependencies, ICT change management and threat-led penetration testing for institutions identified under the Digital Operational Resilience Act (**DORA**). A survey will assess readiness to migrate to post-quantum cryptography. For a bank providing payment services, a useful test is whether customers can still establish the status of their transfers if the usual channel fails.[20]

Who operates the service in week nine

Exit planning shows how a contractual gap becomes a customer issue. Take a payments service for which a migration rehearsal took twelve weeks. The provider is contractually committed to eight weeks of transition support. The bank has four weeks of service continuity to secure. For ICT services supporting critical or important functions, DORA addresses exit strategies and contractual transition periods. Article 10 of Delegated Regulation (EU) 2024/1773 expressly requires the planned implementation schedule to fit the contractual exit and termination terms. The obligation turns on the function the service supports. It can apply even where the provider has no EU designation as critical.[21]

In that example the general counsel and the operations lead can cost three options for management. They can extend the provider's commitment, shorten and retest the migration, or secure alternative capacity. Where a relevant bank is informed of a risk identified in a Lead Overseer's recommendation to a designated critical ICT provider, DORA Article 42(3) requires the bank to take that risk into account in its own ICT third-party risk management. Record any resulting changes and, where existing controls cover the risk, the reasons for that assessment.[22]

What the payer needs when a transfer goes missing

The same rehearsal can usefully cover what customers are told. Simulate an interrupted consumer credit transfer. If a major ICT-related incident affects clients' financial interests, DORA Article 19(3) requires the bank, once aware, to inform clients without undue delay about the incident and the steps taken to mitigate its adverse effects. Can it reach the payer through a channel that still works? Separately, for a payer-initiated transfer that was not executed or was defectively executed, PSD2 Article 89(1) requires the payer's provider, on request, to make immediate efforts to trace it free of charge and tell the payer the outcome. Reconcile the transaction status before telling the customer to send the payment again.[23] Then follow the

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[18] See Directive (EU) 2024/1619, Article 1(21)(b), amending CRD Article 76(2). ECB, Supervisory priorities 2027–29, section 2.2, climate and nature-related risks.
[19] See EBA, 2027 EU-wide stress test methodology, paragraphs 561–566. EBA, Final methodology and key milestones, 9 November 2026.
[20] See ECB, Supervisory priorities 2027–29, section 2.3, technology-driven risks. Regulation (EU) 2022/2554 (DORA), Article 26(1) and (8).
[21] See DORA, Articles 28(8) and 30(3)(f). Commission Delegated Regulation (EU) 2024/1773, Article 10.
[22] See DORA, Article 42(3). ECB, Supervisory priorities 2027–29, section 2.3, third-party risk management.
[23] See DORA, Articles 14(1), 19(3) and 23, communication and payment-related incidents. Directive (EU) 2015/2366 (PSD2), Article 89(1), last subparagraph, payer-initiated transactions.

payment to the customer's balance. For a payment order initiated directly by the payer, PSD2 Article 89(1) makes the payer's provider liable for correct execution unless it can prove that the payee's provider received the amount. Where liable, it must refund the amount without undue delay and, where applicable, restore the debited account to the state in which it would have been had the defective transaction not taken place. For an in-scope instant credit transfer in euro, the test is sharper: if the payer's provider has not received confirmation within ten seconds that the funds were made available to the payee, it must immediately restore the payer's account. Payments, Operations and Legal may benefit from agreeing in advance which rule applies to each type of transfer, who confirms its status during an outage and when the balance must be restored.[24]

The bank's use of AI and the threat to its own systems

AI raises both an external threat and a governance question. The ECB's 7 July 2026 letter asked significant institutions to submit action plans on AI-enabled cyber threats to their JSTs by 31 October 2026. The next stage includes horizontal analysis and targeted follow-up. Compare the plan submitted to the JST with the resources released, supplier commitments obtained and controls tested. A bank that makes little use of AI may still be exposed to this external threat.[25]

The earlier medium-term work on AI now forms part of regular technology-risk supervision. Pilot reviews will cover selected banks. For a credit model, compare the exceptions Risk approved with the decisions actually communicated. Repeat reviews in which a human officer reverses the same model outcome may warrant investigation. For an in-scope consumer loan, that evidence can also show whether the intervention described to applicants is available in practice.

Risk reporting and outstanding supervisory findings

Each of these exercises depends on reliable data. Risk data aggregation and risk reporting (**RDARR**) bring these priorities together. A bank is likely to struggle to explain its combined exposure to a fund, its portfolio companies and protection providers unless it can trace the figures to the right legal entities and contracts. The ECB assesses banks' capabilities against its RDARR guide and the Basel Committee's BCBS 239 principles. The ECB reports that weaknesses persist in tracing figures to their source, controlling manual adjustments and checking data quality. Many severe RDARR measures are due by the end of 2026 or in 2027, according to the deadlines agreed with the banks concerned. Follow-up inspections will test whether more complex findings have been remedied.

The ECB's one-off review of outstanding findings allows it to simplify or discontinue follow-up on issues of limited prudential relevance. Banks retain responsibility for timely remediation of all identified findings. Where a control failure affected customers, the evidence should identify the affected population, any fees or decisions requiring correction, the owner of redress where due and the test showing the error has stopped. It helps to distinguish redress owed to customers under contract or statute, such as repayment of fees charged without a valid basis, from remediation a conduct authority may require; the first generally arises whether or not a supervisor intervenes. For a finding subject to ongoing JST follow-up, distinguish the bank's own completion date from the status the JST has communicated.[26]

Dates and decisions to put before management

[24] See PSD2, Article 89(1), first and second subparagraphs. Regulation (EU) No 260/2012, Article 5a, as inserted by Regulation (EU) 2024/886 on instant credit transfers in euro.
[25] See ECB, Addressing AI-enabled cybersecurity threats, 7 July 2026, pp. 1–2. ECB, Supervisory priorities 2027–29, section 2.3, action plan follow-up.
[26] See ECB, Timely remediation for more resilient banks, 12 August 2026. ECB, Aggregated results of the 2026 SREP, sections 1 and 4.

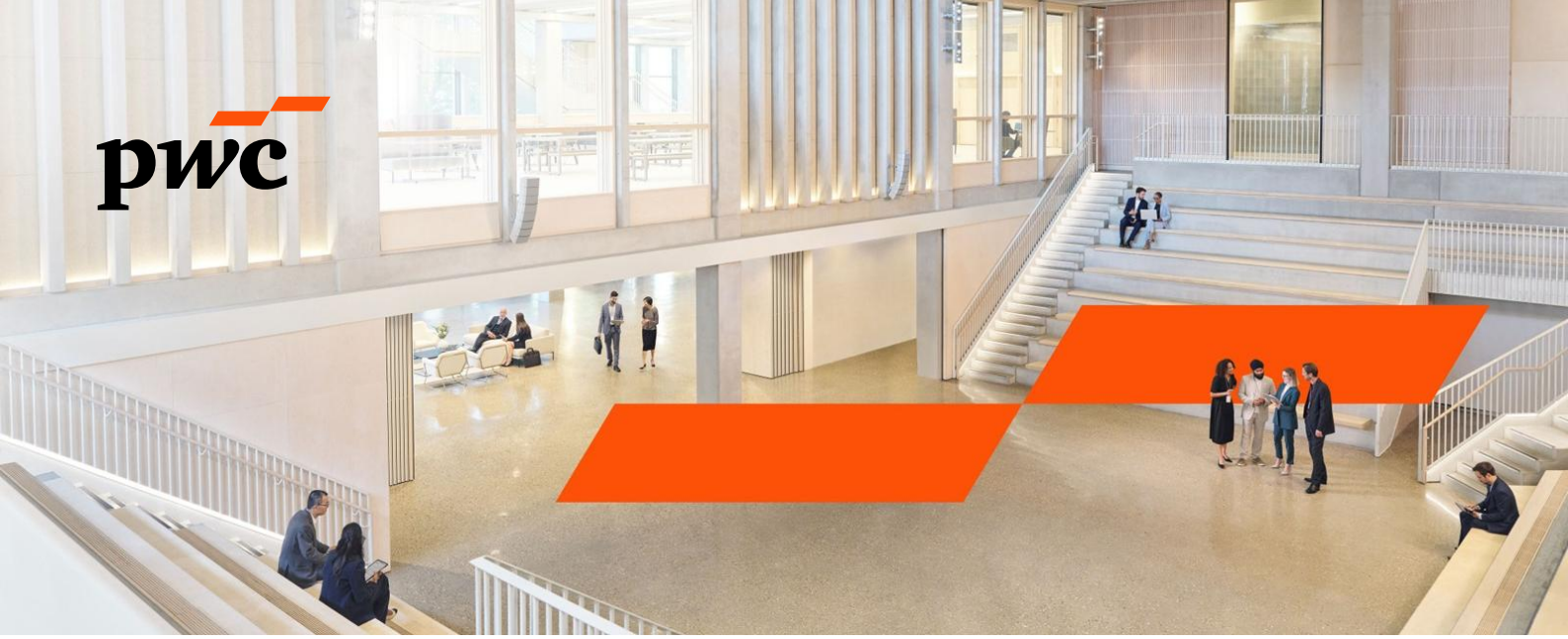
Drawing these threads together, the dates below distinguish statutory application and bank-specific supervisory deadlines from commercial opportunities to act. A renewal or rehearsal is often an important practical opportunity to change what the bank can deliver to its client.

Timing and source	Customer decision and evidence for management
From 20 November 2026 · CCD2 implementing measures	**Retail credit.** Test a new in-scope application from automated assessment to customer notice and human review. Compare the reasons given with the file and correct errors that affected the outcome.
Next fund facility renewal · suggested review	**Information and pricing.** Identify the reporting rights the lender needs, what the manager can disclose and any consent or alternative evidence required. Separate proposed renewal terms from existing draw rights.
Before 2027 capital plan approval · suggested board timing	**Committed and prospective lending.** Finance should quantify the effect of delayed SRT. Legal and the lending desk should identify which entity owes each draw, where an increase is discretionary and what the customer can be told.
Next renewal or exit rehearsal for an ICT service supporting a critical or important function · suggested review	**Service continuity.** Operations and Legal should compare tested migration time with the contracted support period, cost the gap and specify the working communication channel, payment tracing and support for affected customers.
Now and on agreed remediation dates · cyber plans and risk-data findings	**Delivery against commitments.** Check the cyber plan requested by 31 October against funded controls. Reconstruct a material client exposure from its contracts and systems before the relevant risk-data deadline. Test any customer correction due.
2027 EBA stress test and ECB transition review · intended water inspections in 2028	**Portfolio decisions.** For participating banks, reconcile the climate module's exposures with the transition plan. At borrower renewal, test the location, insurance and alternative water supply before changing terms.

Outlook

The 2027–29 priorities build on a programme that already included origination and underwriting inspections. What changes in 2027 is that supervisors can use the 2026 findings to identify outliers and examine selected banks' SRT strategies and transaction management. A tighter risk appetite can change the next mortgage offer, the size of a proposed fund facility or the price of an extension, but signed commitments and applicable customer rights largely determine what the bank can do on existing business. Management may be asked to explain the basis for differences in terms offered to comparable customers and what it did for those affected by a failed control or interrupted service.

Before the next JST discussion, banks may wish to consider tracing one client-affecting decision from the figure the board relied on, through the right held by the relevant legal entity, to the message the client received. Where a gap emerges, it helps if management knows who must act and by when: for an interrupted transfer, that means which refund or restoration rule applies and when the customer's balance must be put right. Renewals, rehearsals and agreed remediation dates are often important practical opportunities to align what the bank has promised with what it can deliver.



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This work is supported by our RegTech and SupTech tools for supervised firms, including PwC Legal's Rule Scanner, backed by managed solutions from PwC Legal Business Solutions. Rule Scanner supports horizon scanning and risk mapping of legislative and regulatory developments, sanctions and fines from multiple thousands of sources in over 170 countries.

Using the same technology, we can also digitise clients' internal policies and procedures into a version-controlled documentation inventory with a defined hierarchy and embedded glossary, so that changes in one policy are carried through to related documents, critical-path dependencies are mapped and developments requiring action are flagged.

The PwC Legal Team behind Rule Scanner are proud recipients of ALM Law.com's coveted "2024 Disruptive Technology of the Year Award" and the "2025 Regulatory, Governance and Compliance Technology Award".

If you would like to discuss any of the developments mentioned above, or how they may affect your business more generally, please contact any of our key contacts or PwC Legal's RegCORE Team via de_regcore@pwc.com or our website.

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