



Governing Council statement on macroprudential policies

8 July 2026

The Governing Council of the European Central Bank (ECB) is releasing this statement following the meeting of the Macroprudential Forum on 24 June 2026.

Since the Governing Council statement issued in July 2025,¹ risks to euro area financial stability have remained elevated in an environment of prolonged geopolitical tensions and uncertainty. While recent developments in the Middle East may help ease some of these tensions, significant uncertainty persists. In particular, an escalation or prolongation of the war in the Middle East could further disrupt global energy and commodity markets, with adverse repercussions on the outlook for inflation and growth. Geopolitical developments have already led to a tightening of financing conditions, although valuations remain high by historical standards and at risk of a sharp repricing. Risks related to artificial intelligence and vulnerabilities among non-bank financial institutions could further amplify market adjustments. In addition, cybersecurity risks and hybrid threats to critical infrastructure are on the rise. In this environment, the likelihood of more adverse scenarios materialising remains elevated.

The Governing Council calls on national macroprudential authorities to maintain the current resilience of the banking system. Despite elevated risks, banking sector conditions in terms of capitalisation and profitability remain favourable, with no indication of credit supply being constrained by bank capital requirements. Against this background, national authorities should generally maintain existing capital buffer requirements. This should help preserve banking sector resilience and ensure that buffers are available in case banking sector or macro-financial conditions deteriorate. Having releasable buffers in place also enhances the complementarity between macroprudential policy and monetary policy, especially when the economy faces adverse supply-driven shocks, which reduce output and simultaneously increase inflation. Similarly, existing borrower-based measures should be maintained to preserve sound lending standards via their role as structural backstops, where this is feasible in national legislation. In cases where the sources of systemic risks have changed persistently, a targeted recalibration of macroprudential measures can also be considered when such actions would not substantially reduce the overall resilience of the banking sector.

At the same time, considering the high level of uncertainty, macroprudential policy needs to remain agile and adapt to changing conditions as needed. Policymakers should continue to closely monitor the situation, as further adverse shocks may require a shift in the policy stance.

¹ See [“Governing Council statement on macroprudential policies”](#), ECB, 7 July 2025.

The Governing Council supports an ambitious reform agenda to simplify the prudential framework while preserving the resilience and stability of the financial system.² Amid increasing geopolitical and geoeconomic fragmentation, it is more important than ever to establish a truly integrated European banking market, which is a prerequisite for achieving the long-term economic objectives of the EU. The continued fragmentation of EU banking markets acts as a brake on European banks scaling up, realising economies of scale and competing both within and outside the EU, and limits private risk sharing. Where undue complexity in the prudential framework increases fragmentation and places an unnecessary burden on banks, this should be addressed by simplifying the regulatory framework without reducing bank resilience. These necessary initiatives should have full regard to the diversity of European banks, which the Eurosystem recognises as a source of systemic resilience. As European banks are key to financing the economy, it is essential to safeguard their resilience and macroprudential policies should continue to play a central role.

² This view is also expressed in the Eurosystem response to the European Commission consultation on the competitiveness of the EU banking sector, which was endorsed by the Governing Council and published on the ECB's website. See "[Eurosystem response to the EU Commission's targeted consultation on the competitiveness of the EU banking sector](#)", April 2026. This response is in line with the report by the Governing Council's High-Level Task Force on "[Simplification of the European prudential regulatory, supervisory and reporting framework](#)", which was published in December 2025.

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Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu

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For specific terminology please refer to the [ECB glossary](#) (available in English only).