

Q1 2026

Prudential Data Report

European GSIBs Prudential Capital and Liquidity

afme / Contents

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afme / Report Scope

This publication aims to offer comparable, consistent, and timely information on banking prudential regulation. Many existing sources of prudential data and statistics provide information that is not directly comparable due to regulatory changes, or they publish this information with significant delays. This report is designed to address these shortcomings.

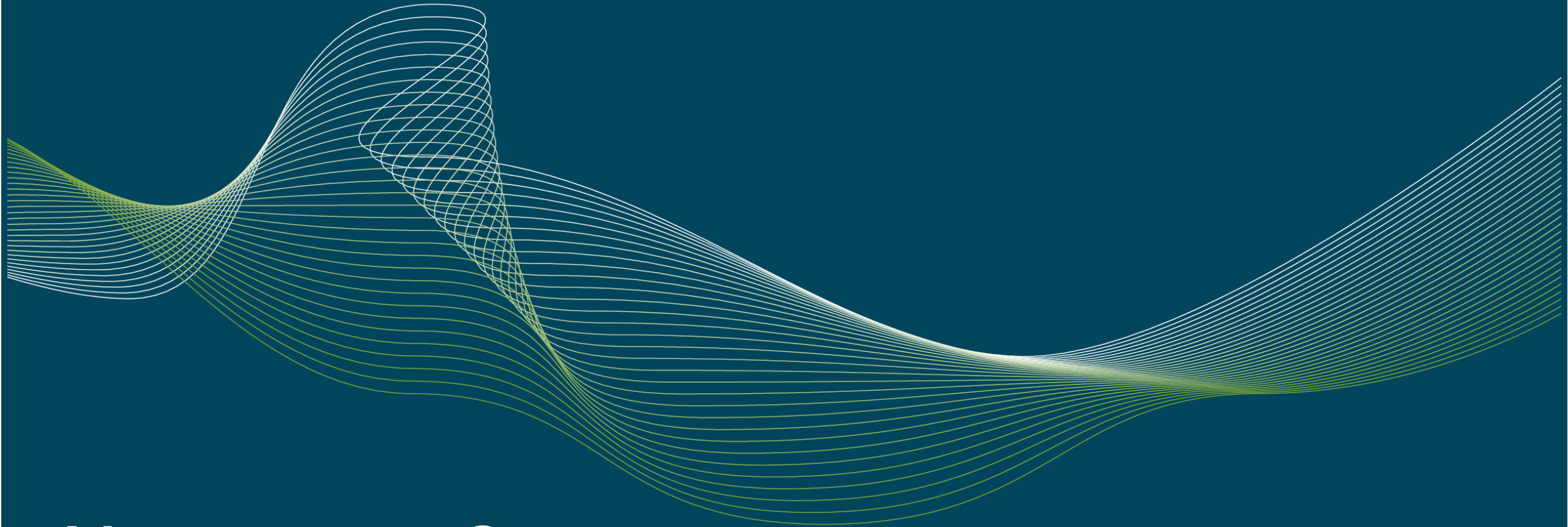
Other than gathering and analysing information on the prudential capital, leverage, loss-absorption capacity and liquidity ratios of European Global Systemically Important Banks (GSIBs), this report illustrates the performance of debt and contingent convertible (CoCo) securities issued by European banks.

Apart from the data on CoCo markets, all data is retrieved from public sources and updated as of September 2025. Moreover, all figures exclude any estimate of the impact of the final Basel III proposals.

In its series of reports on the matter, AFME emphasises the progress made by European GSIBs in enhancing their capital, leverage, loss-absorption and liquidity positions over the years, in line with CRDV.

CRDV rules establish minimum requirements on bank solvency and liquidity, in an effort to enhance the loss and shock absorption capabilities of the banking sector.

Notes: All banks analysed in the report are included in the 2024 FSB GSIB list. The banks analysed belong either to the euro area or to the UK.



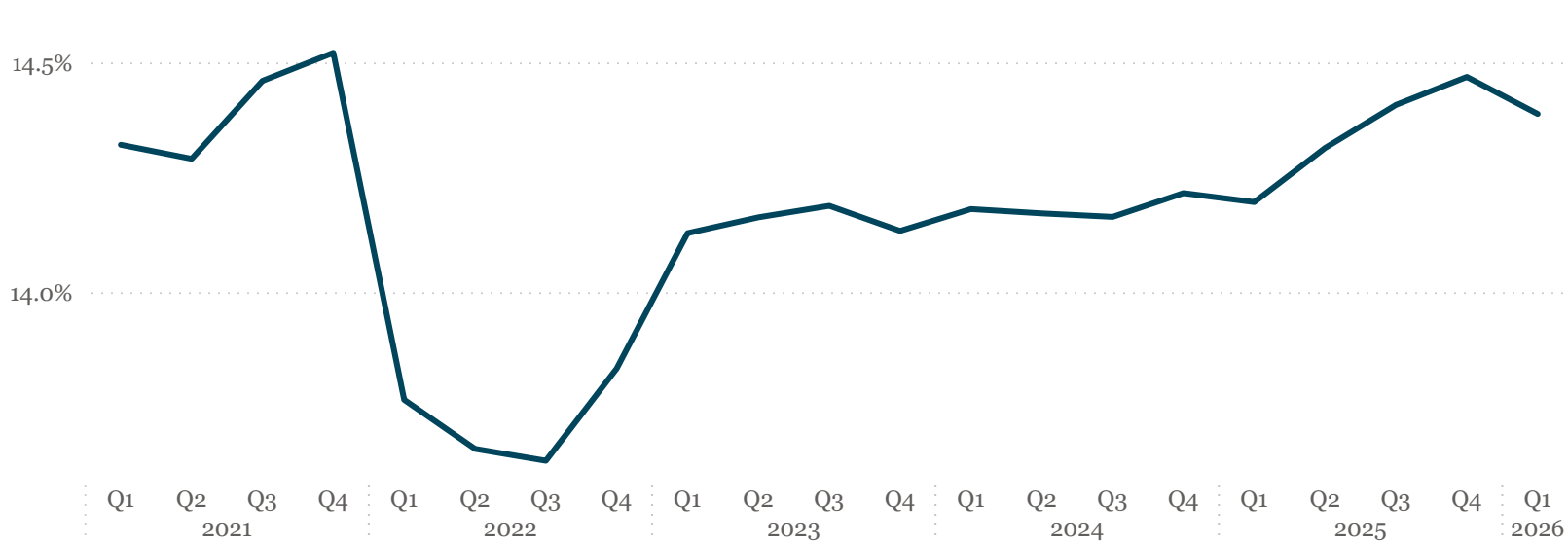
Management Summary

afme / Key Highlights

Prudential capital ratios

	1Q20	1Q21	1Q22	1Q23	1Q24	1Q25	4Q25	1Q26
CET1 ratio (end-point)	13.4%	14.3%	13.8%	14.1%	14.2%	14.2%	14.5%	14.4%
T1 ratio (end-point)	15.2%	16.3%	15.6%	16.2%	16.2%	16.4%	16.6%	16.7%
Leverage ratio EU (end-point)	4.0%	4.3%	4.5%	4.3%	4.3%	4.3%	4.4%	4.4%
Leverage ratio UK (end-point)	4.6%	4.8%	4.4%	4.4%	4.5%	4.5%	4.6%	4.4%
Liquidity Coverage Ratio (LCR)	140.7%	151.2%	144.4%	149.4%	155.5%	147.9%	145.6%	144.4%
TLAC ratio % RWAs	26.4%	28.4%	29.1%	31.0%	31.8%	32.7%	32.4%	32.5%
TLAC ratio % exposure measure	8.1%	8.7%	9.3%	9.5%	9.7%	9.8%	9.6%	9.4%

Evolution of European GSIBs CET1 ratio



Robust solvency ratios sustained in Q1 2026

The end-point CET1 ratio of European GSIBs finalised Q1 2026 at 14.39%, c.8bps below the levels observed in the fourth quarter of 2025 (14.47%) and c.20bps above the level observed at the start of 2025.

The variation in the ratio was primarily driven by retained earnings, contributing to a 52bps increase in CET1 ratio. However, this was partly offset by shareholder returns, which reduced the ratio by 45bps. Changes in RWA had a smaller effect, decreasing the ratio by 17bps, while FX translation and other factors provided a net contribution of c. 2bps.

The end-point T1 ratio increased by 10bps QoQ to 16.7% during Q1 2026. Q1 2026 also saw a 30bps increase YoY since Q1 2025.

The Leverage Ratio reported by EU GSIBs in Q1 2026 was 4.4%, unchanged from Q4 2025. The average leverage ratio for UK GSIBs decreased by 20bps QoQ, starting the year at 4.4%.

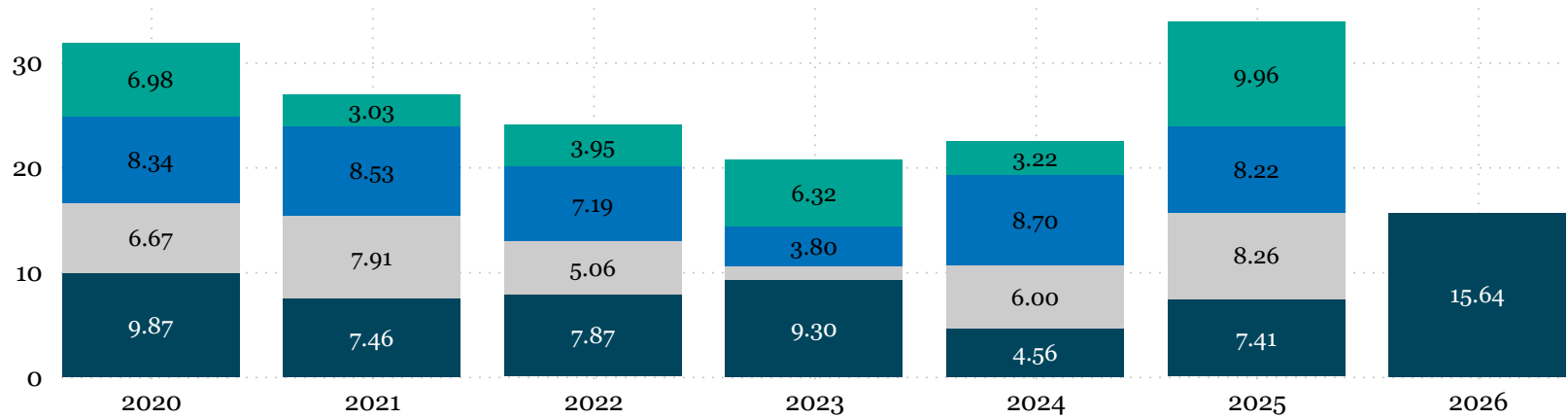
TLAC capital covered 32.5% of RWAs and 9.4% of exposure measure. This represented a 10bps QoQ increase from 32.4% of RWAs and a 20bps decrease from 9.6% of the exposure measure.

The Liquidity Coverage Ratio of European GSIBs stood at 144.4% at the end of Q1 2026, representing a 44.4% buffer above the minimum requirement.

afme / Key Highlights

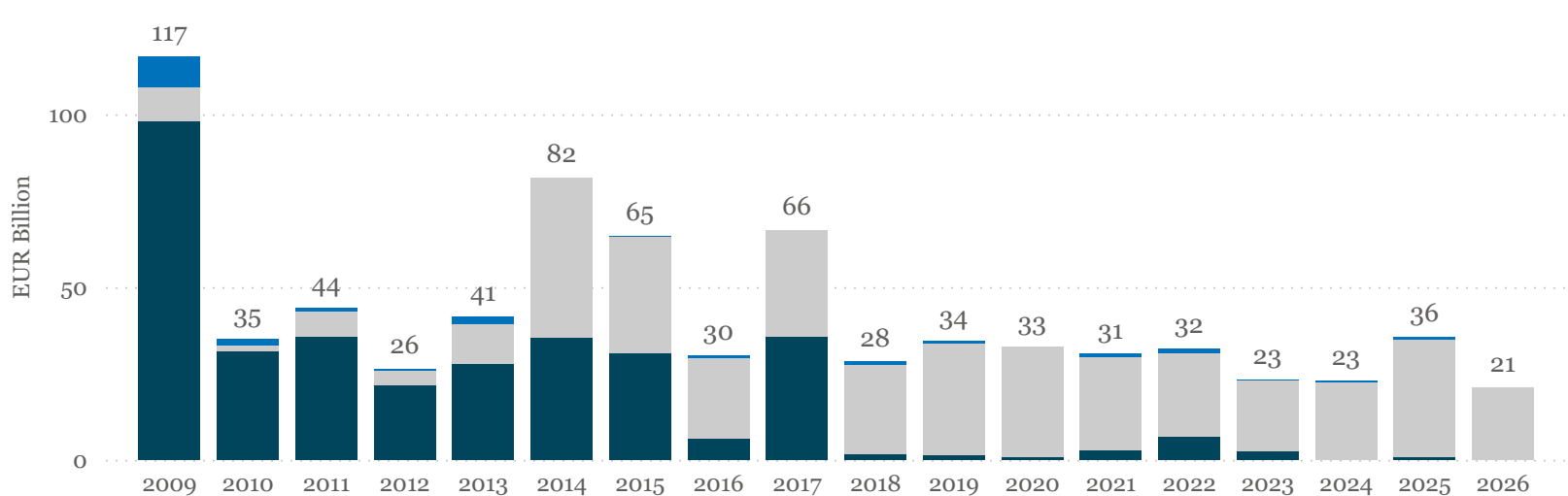
European AT1 issuance (€bn)

Quarter ● Q1 ● Q2 ● Q3 ● Q4



Fresh capital raised by European banks

● Follow-ons ● CoCos ● Convertibles



Source: Dealogic

Strong AT1 bond issuance amid tightening spreads

During the first quarter of 2026, European banks issued a total of €15.6bn in AT1 capital, a significant increase from the previous year (€7.41bn in Q1 2025).

The increase was underpinned by a broader tightening in spreads from the peak observed in early 2025, declining materially over the course of 2025 and stabilising at lower levels in Q1 2026. While some short-term volatility persisted, spreads remained well below earlier highs, supporting favourable issuance conditions.

AT1 risk premia stabilise after early volatility

European AT1 option-adjusted spreads (OAS) surged to 417bps in early April 2025 following the US tariff announcement that briefly disrupted credit markets. However, spreads steadily tightened throughout the year.

In Q1 2026, spreads broadly stabilised, with AT1 instruments showing a modest widening during February and March before easing again, ending the period at 3.5%. Further details are on page 32 of the report.

Stakeholder Views on the Competitiveness of the EU Banking Sector Consultation

The Box on page 22 provides an analysis of stakeholder responses submitted to the European Commission's Banking Competitiveness Consultation, incorporating contributions from a broad range of participants across the EU banking ecosystem.

The European Commission launched the Banking Competitiveness Consultation to gather stakeholder views on the effectiveness, proportionality and competitiveness of the EU banking framework. The consultation covered a range of prudential, supervisory and resolution-related issues affecting the EU banking sector, with responses intended to support the Commission's assessment of whether the current framework appropriately balances financial stability and competitiveness objectives.

This analysis focuses on selected consultation questions considered particularly relevant to banking competitiveness, prudential regulation, resolution frameworks and cross-border banking integration. Responses submitted by companies, business associations, public authorities, academic and research institutions, trade unions and other stakeholders were reviewed to identify areas of stakeholder convergence and divergence.

The objective of this review is to assess the extent of stakeholder alignment on key banking policy issues, identify areas where public authorities and industry participants share common ground, and highlight topics where views remain fragmented or contested. The analysis also seeks to provide insight into broader stakeholder sentiment regarding the effectiveness, proportionality and competitiveness of the EU banking framework.

When tabulating the submissions, we find consensus among all stakeholders that the prudential framework is complex and currently contributes to the EU's banking system undervaluation. We also find common agreement among stakeholders that the MREL framework and the OSII buffer need regulatory review. In other relevant items such as the level of implementation of prudential requirements (consolidated or entity-level), SyRB buffer, and output floor, we find strong support for review among the majority of stakeholders while public authorities show some level of caution.

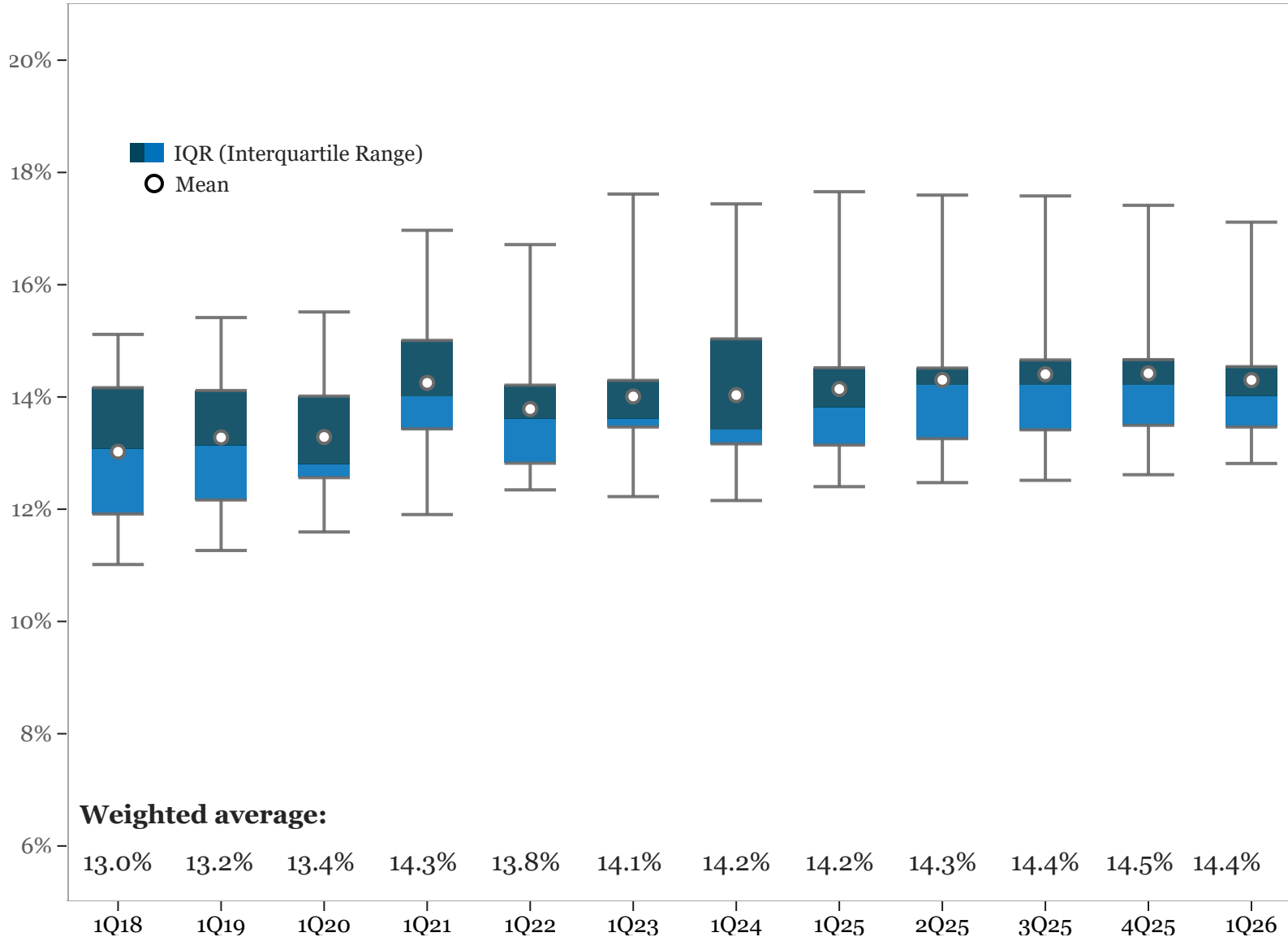
AFME responses are not included within this analysis, however, the consultation response can be accessed [here](#).



Capital and Liquidity Ratios

afme / CET1 ratio analysis

CET1 end-point ratio



Source: European GSIBs earning report

CET1 ratios broadly stable despite majority of banks reporting declines

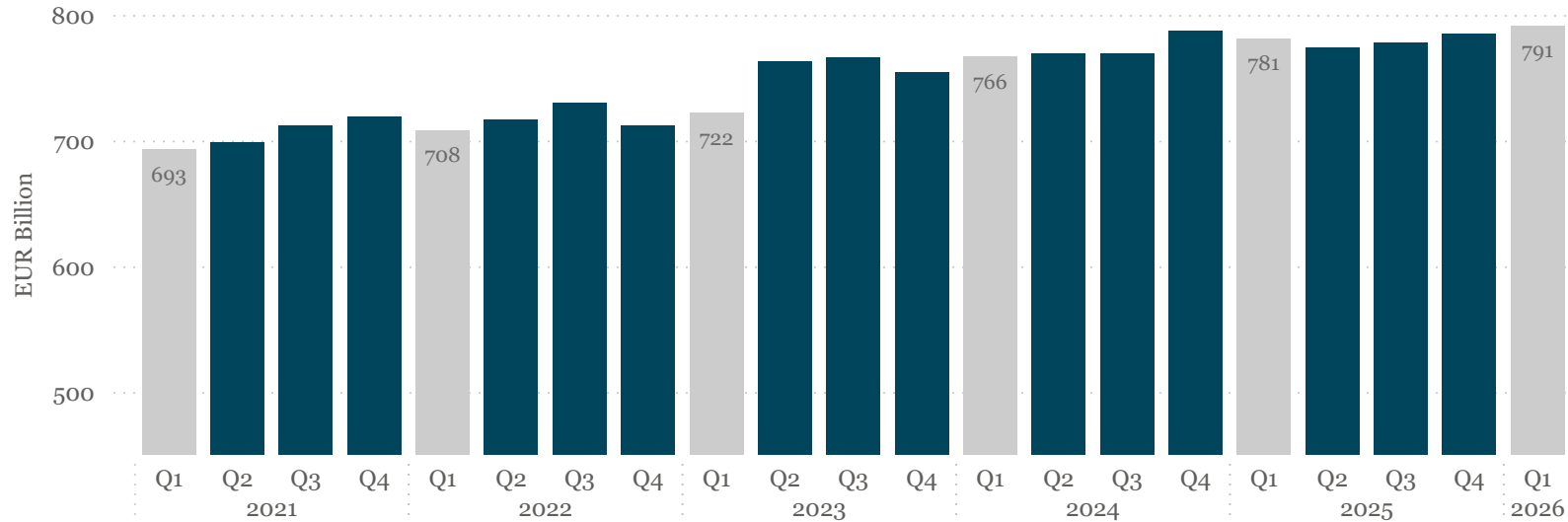
Three of the eleven banks covered in this report reported a quarterly increase in their CET1 ratio, one bank remained unchanged, while the other seven banks reported a decrease.

Since early 2023, CET1 ratios have remained stable, with only a limited variation in both the weighted average and the distribution across banks.

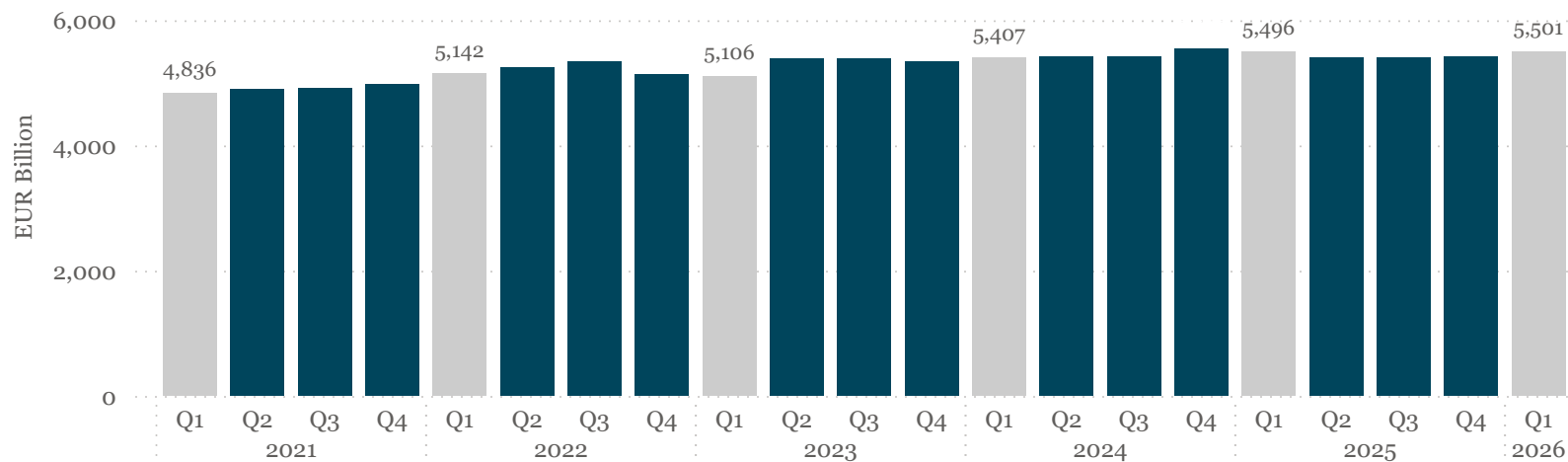
Over the course of 2025, the average CET1 ratio fluctuated around 14.35%, and stood at 14.4% in Q1 2026, pointing to a consistently strong and resilient capital position among the institutions covered.

afme / CET1 and RWA levels

CET1 capital



RWA (€bn)



Source: European GSIBs earning report

CET1 capital continues to increase

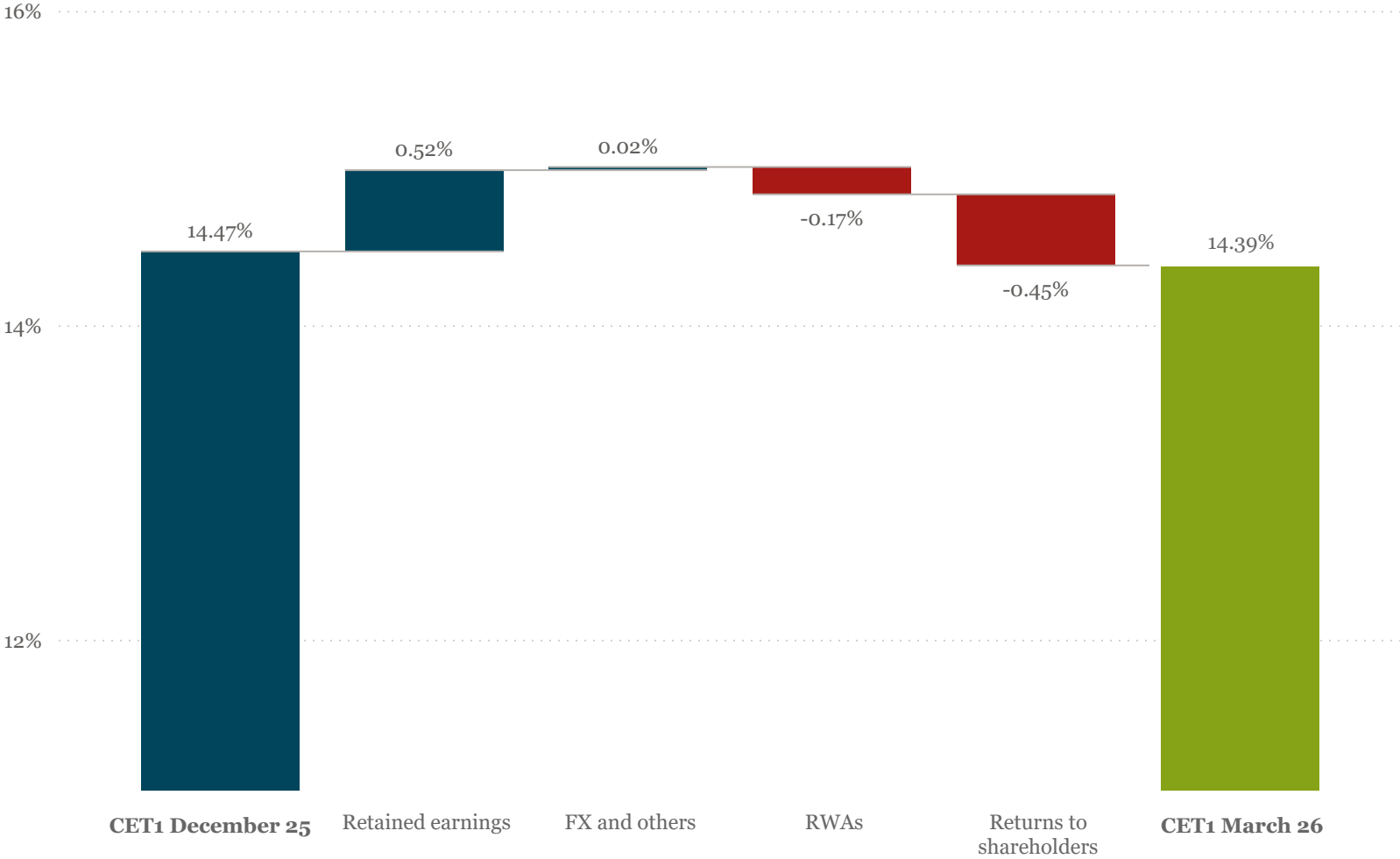
European GSIBs finalised the first quarter of 2026 with €791bn in CET1 capital, representing a moderate increase compared to the €785bn reported in the previous quarter. Similarly, CET1 levels were higher YoY, increasing by 1.28% compared to €781bn in Q1 2025.

9 of the 11 banks included in this report saw an increase in CET1 capital over the quarter.

During Q1 2026, the aggregate RWAs of European GSIBs stood at €5,501bn. This represents a slight QoQ increase of 1.49% compared to the €5,420bn in Q4 2025. RWAs also increased YoY by 0.09% from the €5,496bn reported in Q1 2025.

afme / CET1 ratio drivers

Change in CET1 ratio by components in Q1 2026 (%)



Source: estimates based on European GSIBs earnings reports

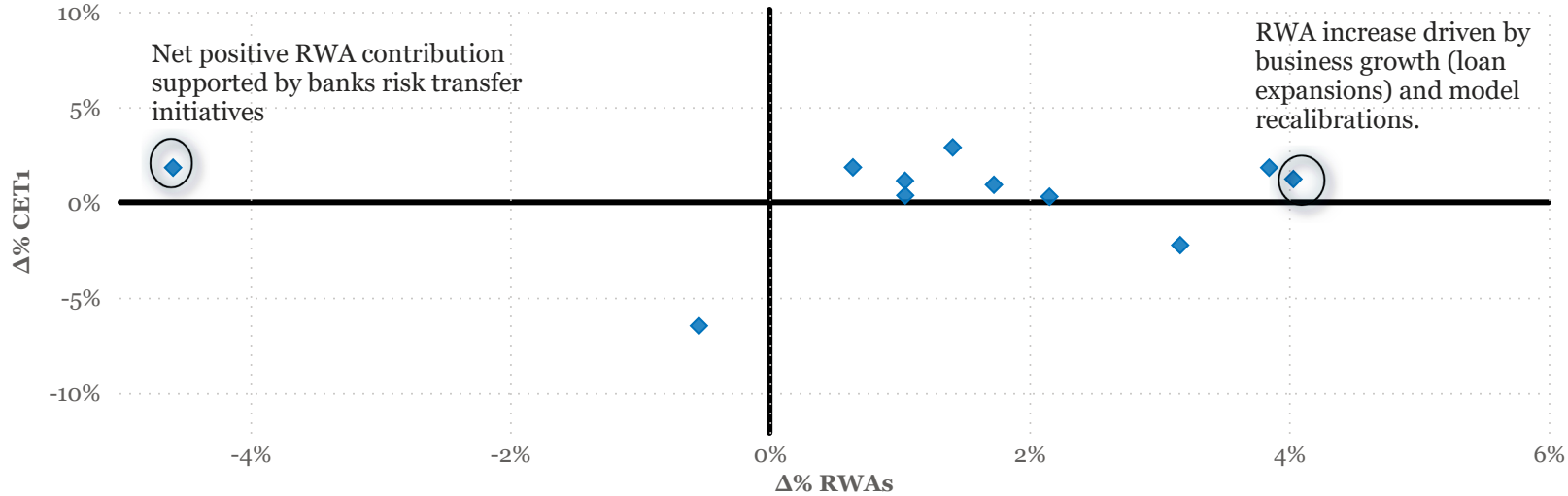
CET1 ratio variation by component:

The average CET1 ratio of European GSIBs decreased by 8bps from 14.47% in Q4 2025 to 14.39% in Q1 2026.

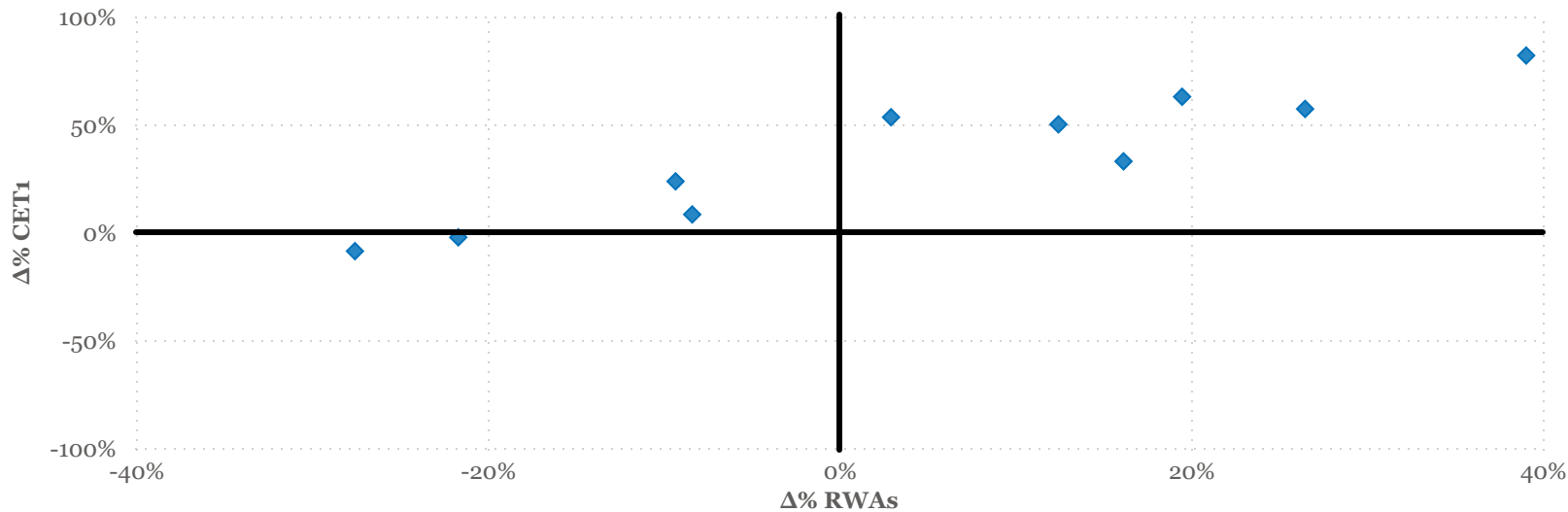
The variation in the ratio was primarily driven by retained earnings, contributing to a 52bps increase in CET1 ratio. However, this was partly offset by shareholder returns, which reduced the ratio by 45bps. Changes in RWA had a smaller effect, decreasing the ratio by 17bps, while FX translation and other factors provided a net contribution of c. 2bps.

afme / CET1 ratio and RWA delta by bank

Percentage change: QoQ



Percentage change since Dec-2014



Source: European GSIBs earning report

CET1 and RWA variations by bank:

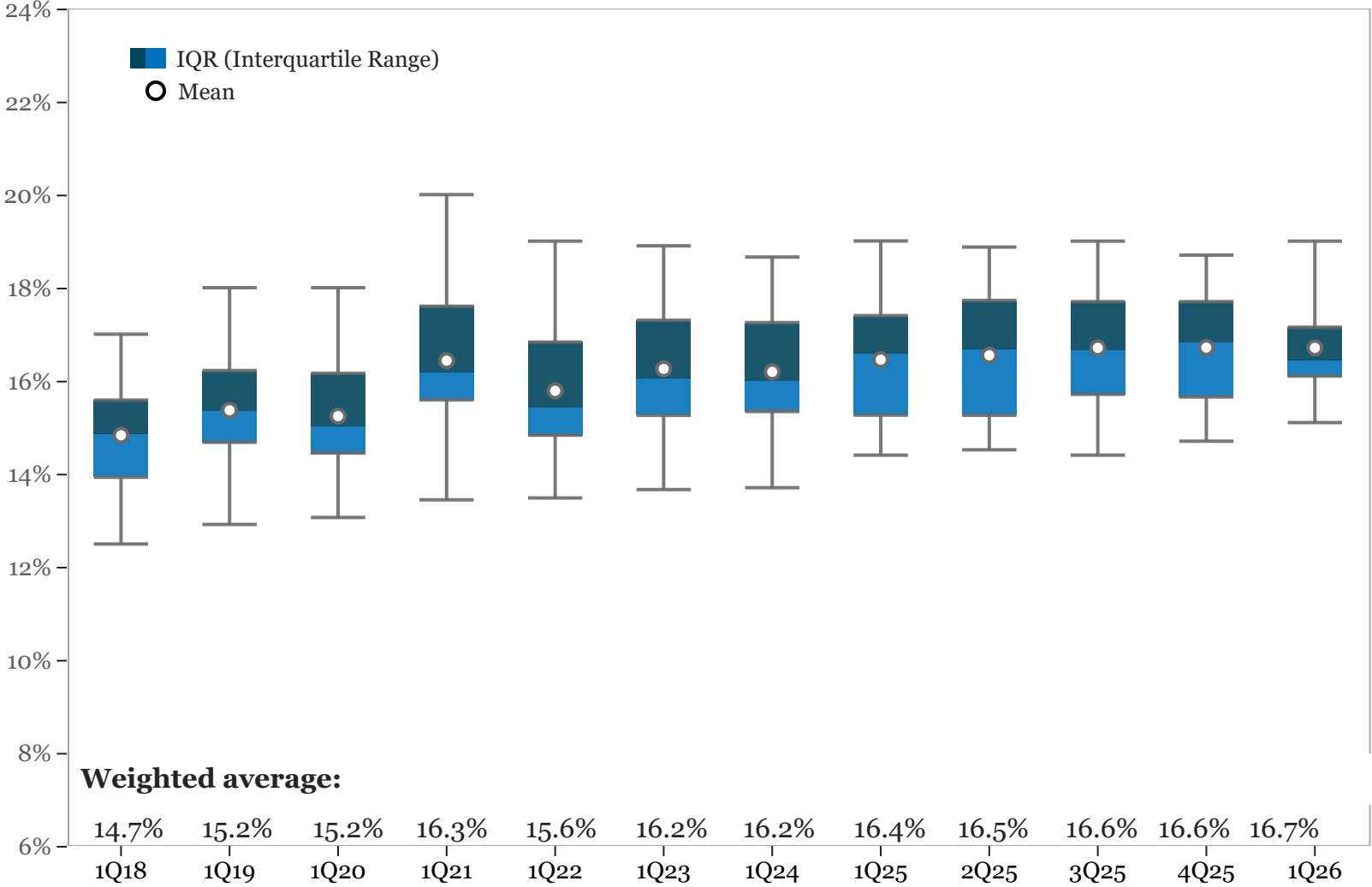
During Q1 2026, nine of the eleven banks included in this report recorded an increase in their CET1 capital, while the remaining two experienced lower levels.

RWAs increased for five of the GSIBs analysed.

Bank-specific factors contributing to these changes, such as risk transfer initiatives, loan expansions, and model recalibrations are illustrated in the top chart.

Following the changes in CET1 and RWA since December 2014, two distinct strategic approaches to comply with the Capital Requirements Directive have emerged: reducing RWAs, or increasing both CET1 and RWAs.

T1 end-point ratio



Continued T1 capital resilience

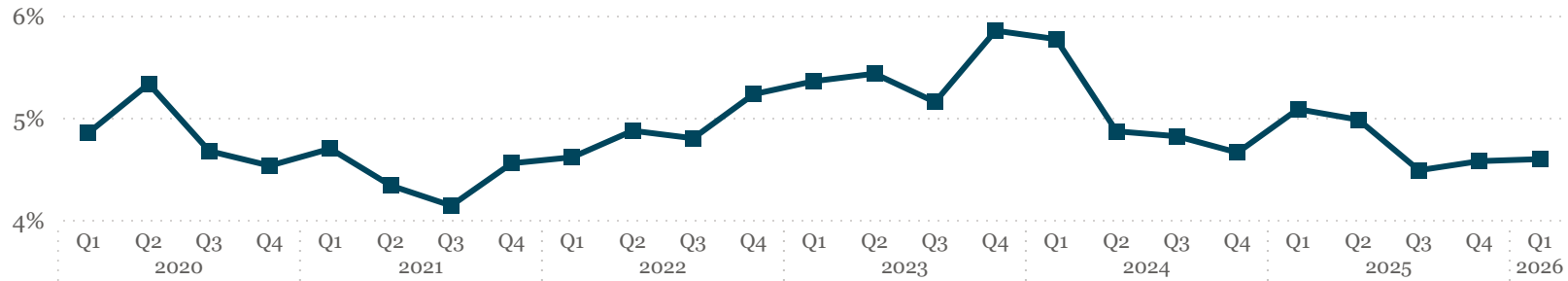
In Q1 2026, the weighted average T1 ratio of European GSIBs reached 16.7%, a 10bps increase since last quarter (16.6%).

Since 2022, European banks have continued to strengthen their capital positions, maintaining levels above those seen prior to the COVID-19 pandemic.

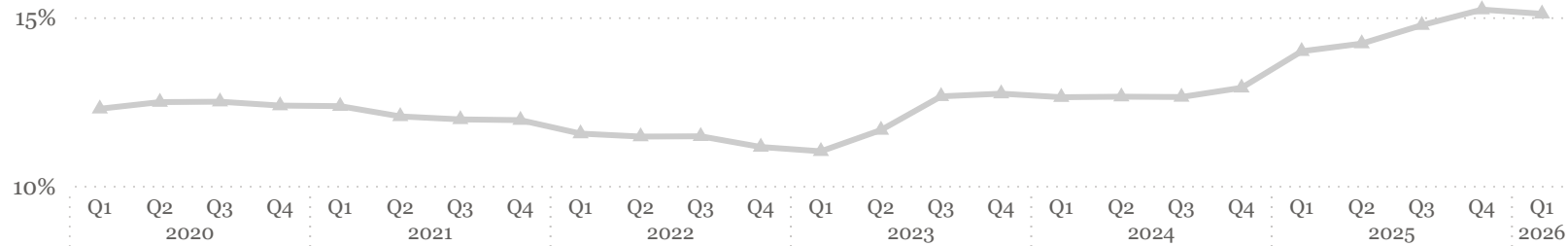
Source: European GSIBs earning report

afme / Development of RWA risk composition

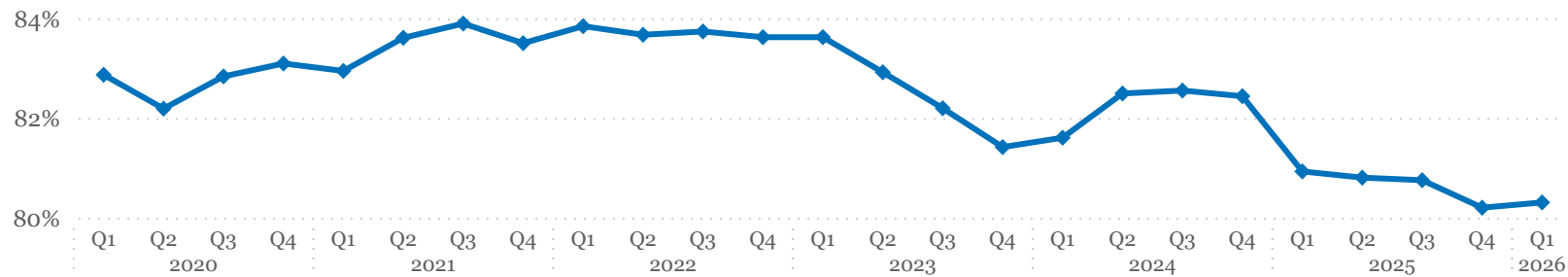
Market



Operational



Credit



Operational risk moderates in Q1 as credit risk rebounds

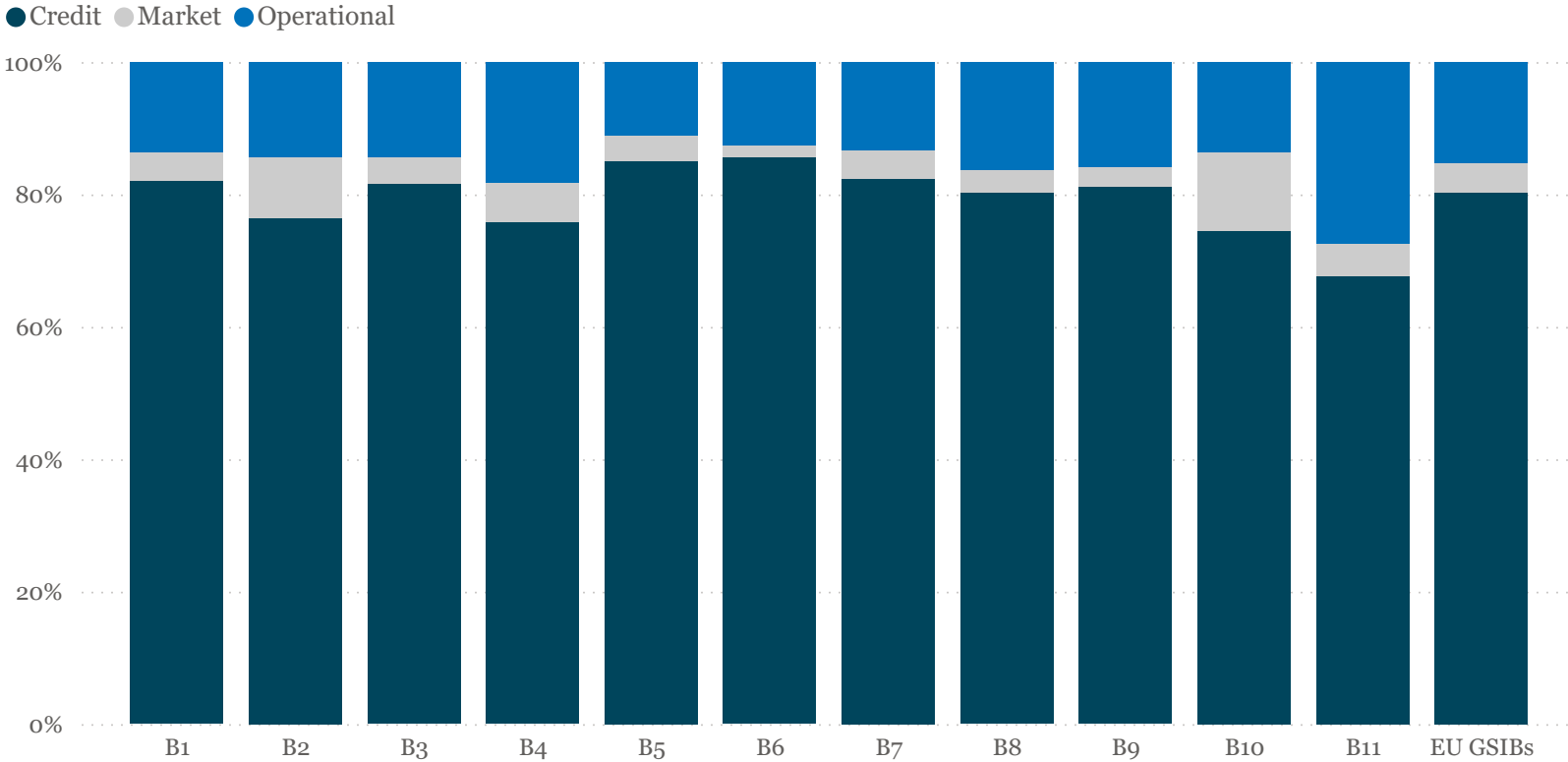
Market risk RWAs saw a slight increase in Q1, rising from 4.57% of total RWAs in Q4 2025 to 4.59% in Q1 2026.

Operational risk RWAs, which had been gradually declining over the past five years, began rising in early 2023. This shift was largely driven by the acquisition of a major Swiss bank by a GSIB. After stabilising between Q3 2023 and Q3 2024, operational risk RWAs rose sharply through 2025, finishing Q4 2025 at 15.22%. In Q1 2026, they declined slightly to 15.1%.

After a decline throughout 2023 and a temporary increase in 2024, credit risk RWAs resumed their downward trend in 2025. In Q1 2026, credit risk increased slightly, accounting for 80.31% of total RWAs.

afme / RWA risk composition

RWA risk composition in Q1 2026



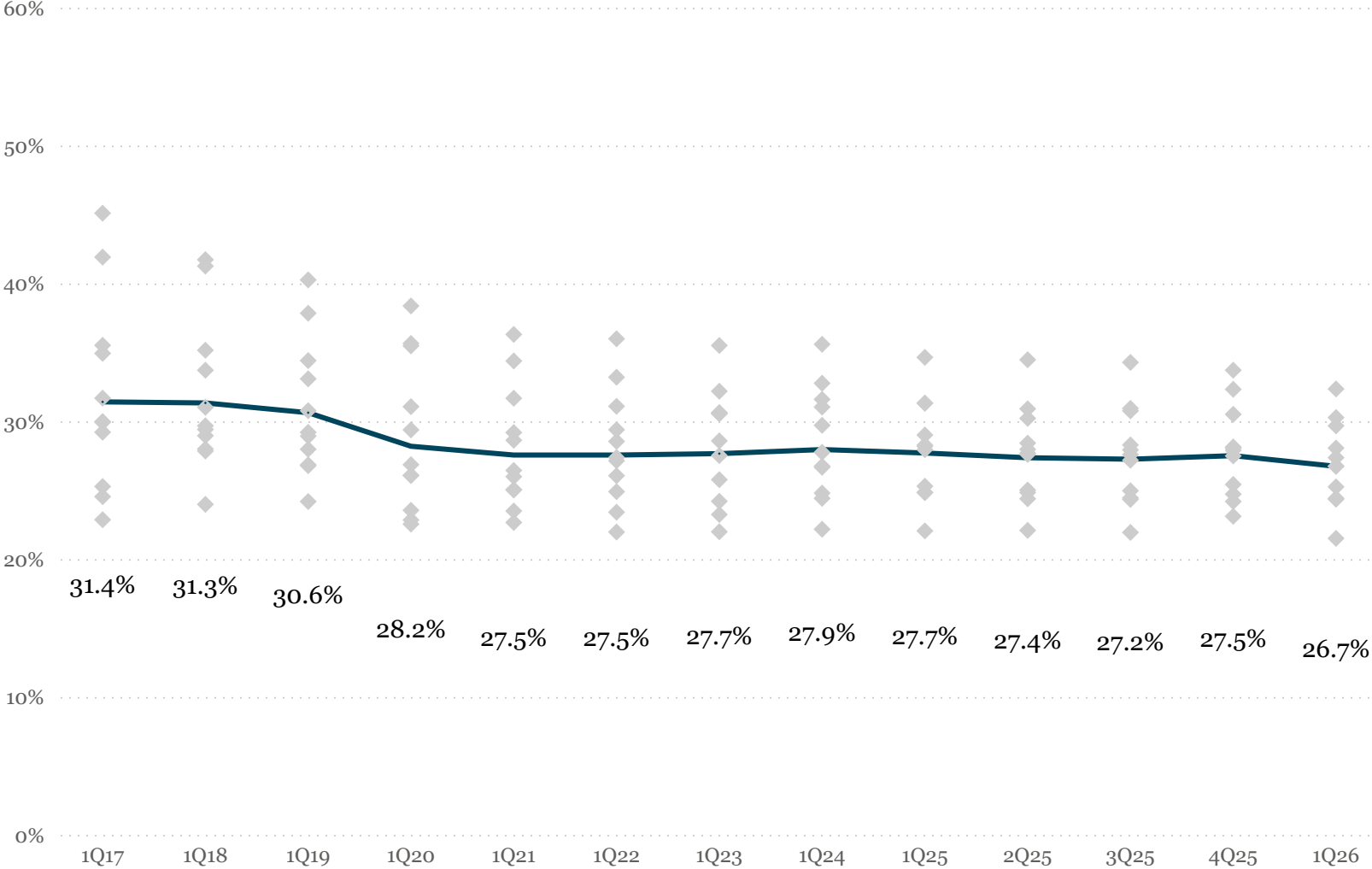
Asset risk composition:

The primary balance sheet risk of European GSIBs is credit risk (80.31%), with operational and market risks following in significance (15.10% and 4.59% respectively).

Source: European GSIBs earning report

afme / RWA Densities

RWA densities: RWA/total assets



GSIBs continue to operate with lower RWA densities

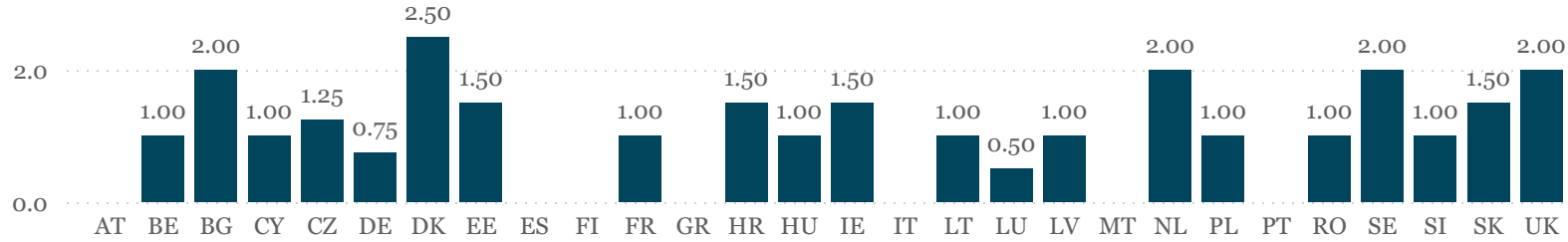
Since 2015, RWA densities have steadily declined, indicating a strategic shift among European GSIBs toward balance sheet activities with lower risk weights. As of Q1 2026, the aggregate RWA density stood at 26.7%, broadly within the 27–28% range observed in recent years.

Moreover, the variation in RWA densities across banks has narrowed over time. While the gap between banks with the highest and lowest density ratios was 20pp in 2016, this difference has declines to 10pp in 2026.

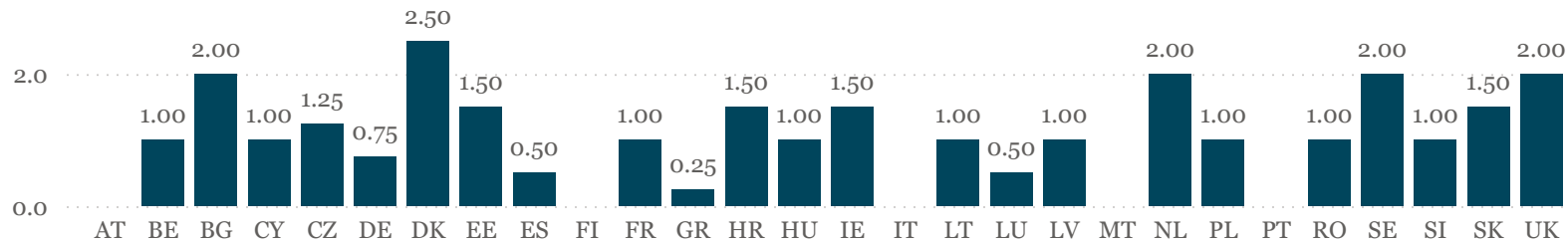
Source: European GSIBs earning report

afme / Countercyclical capital buffers

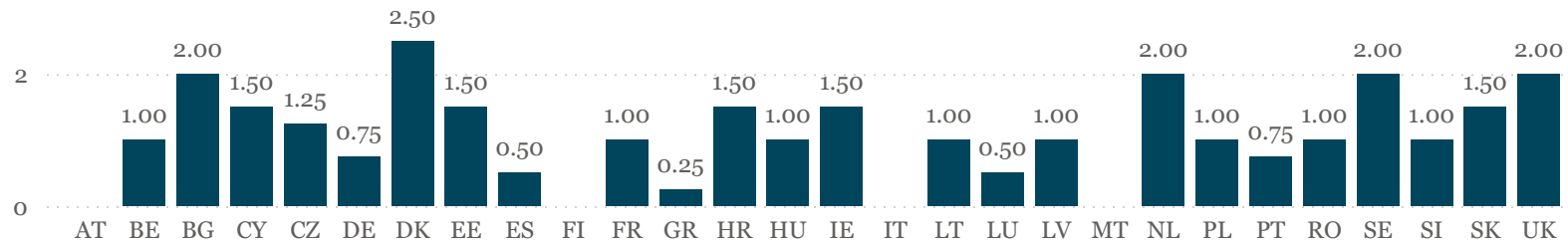
Current CCyB rates by country (%): 2025-Q3



2025-Q4



2026-Q1



Notes: Exemptions are provided for certain small and medium-sized investment firms from holding a CCyB in the following countries: Croatia, Cyprus, Luxembourg, Malta, Poland, Slovakia, Sweden and the United Kingdom.

Source: ESRB

Higher CCyB Across Europe

During Q1 2026, there was two CCyB adjustments, as Cyprus introduced a 1.5% buffer rate and Portugal activated the buffer for the first time at 0.75%.

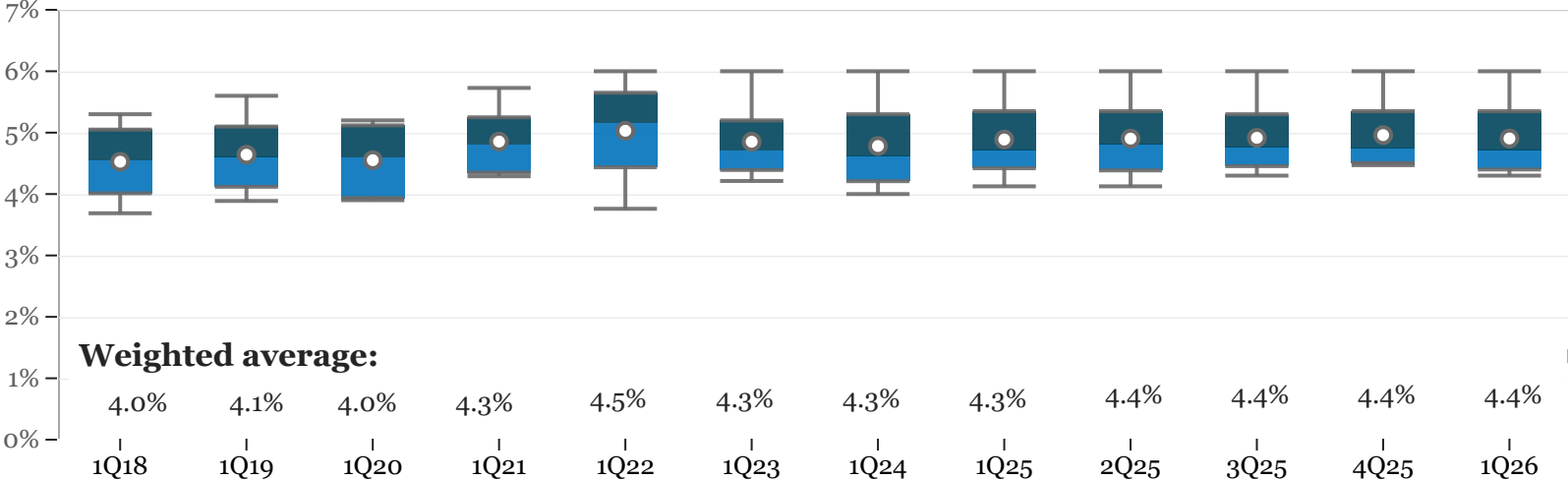
Additionally, six countries are expected to modify their national CCyB rates in the future. These include:

- Belgium: exp. 1.25% in Jul 2026
- Poland: exp. 2% in Sep 2026
- Greece: exp. 0.5% in Oct 2026
- Spain: exp. 1% in Oct 2026
- Croatia: exp. 2% in Jan 2027
- Bulgaria: exp. 2.25% in April 2027

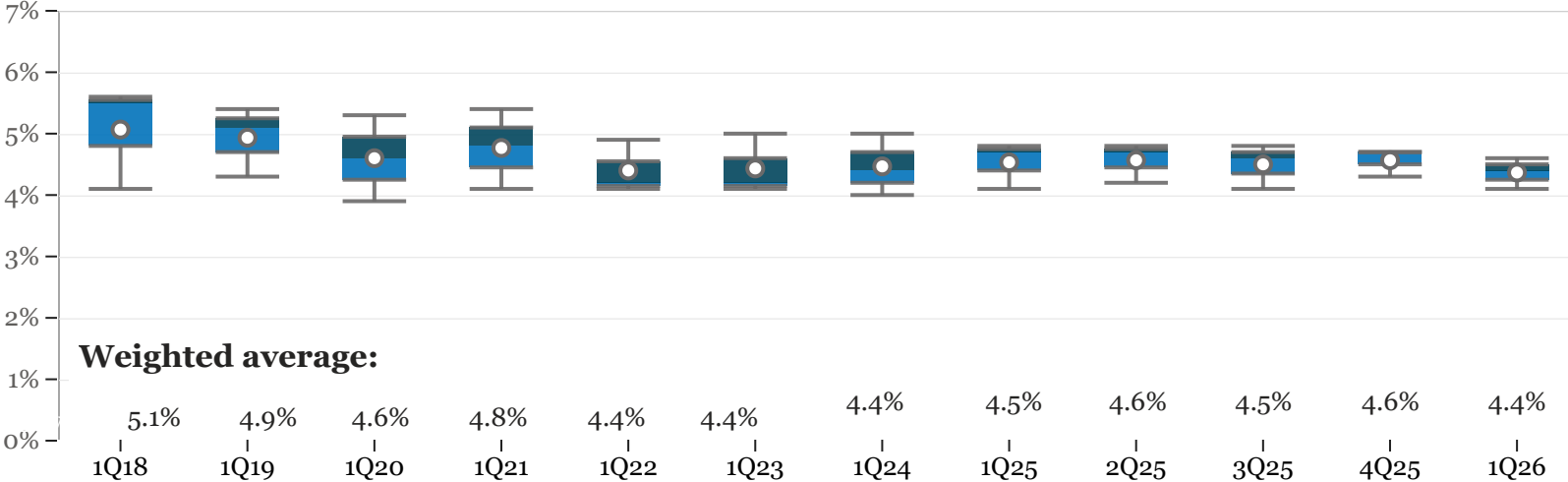
As of Q1 2026, Austria, Finland, Italy and Malta remain the only countries neither using nor planning to use a countercyclical buffer.

afme / Leverage Ratio (LR)

Leverage ratio: End-point (EU)



Leverage ratio: End-point (UK)



Stability in leverage ratio

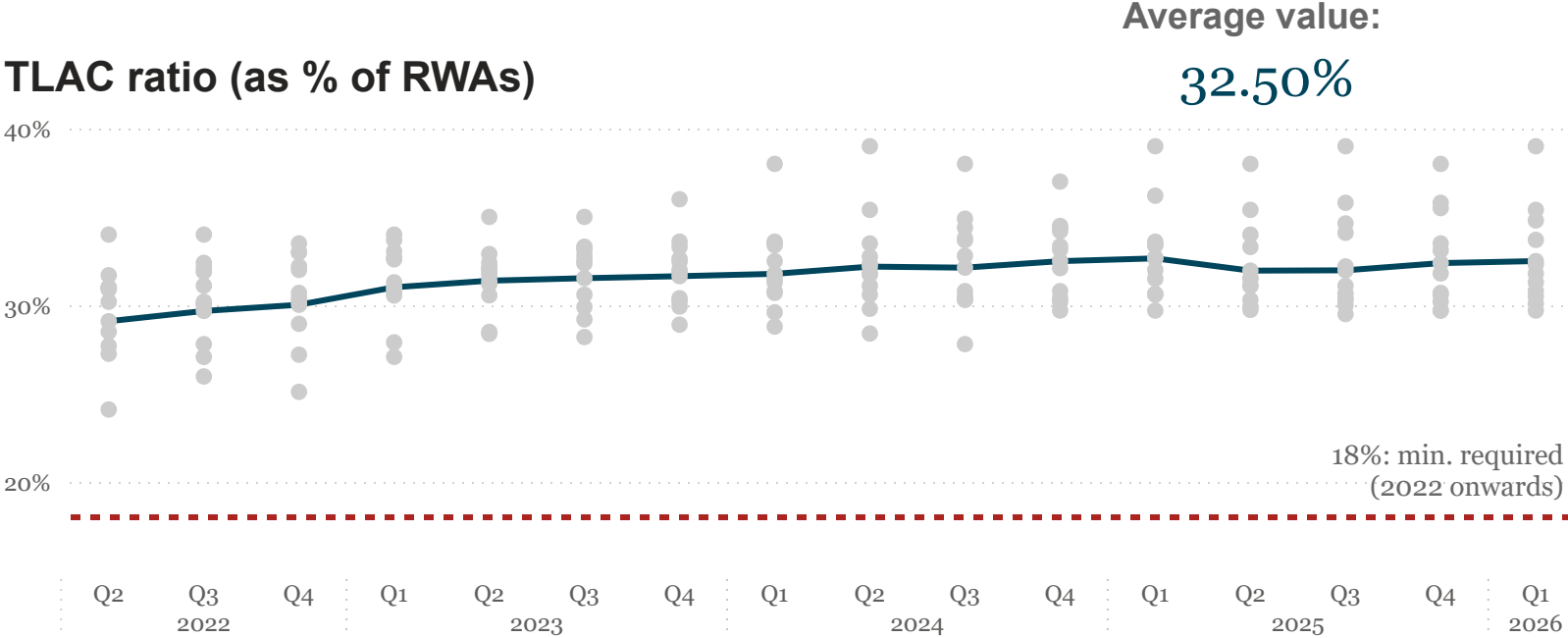
The leverage ratio of EU GSIBs has remained relatively stable over the past two years, with the average fluctuating within a range of 4.3% to 4.4%.

In Q1 2026, EU GSIBs reported an average leverage ratio of 4.36%, a slight decrease of 5 bps QoQ (4.41%) and an increase of 1 bp YoY (4.35%).

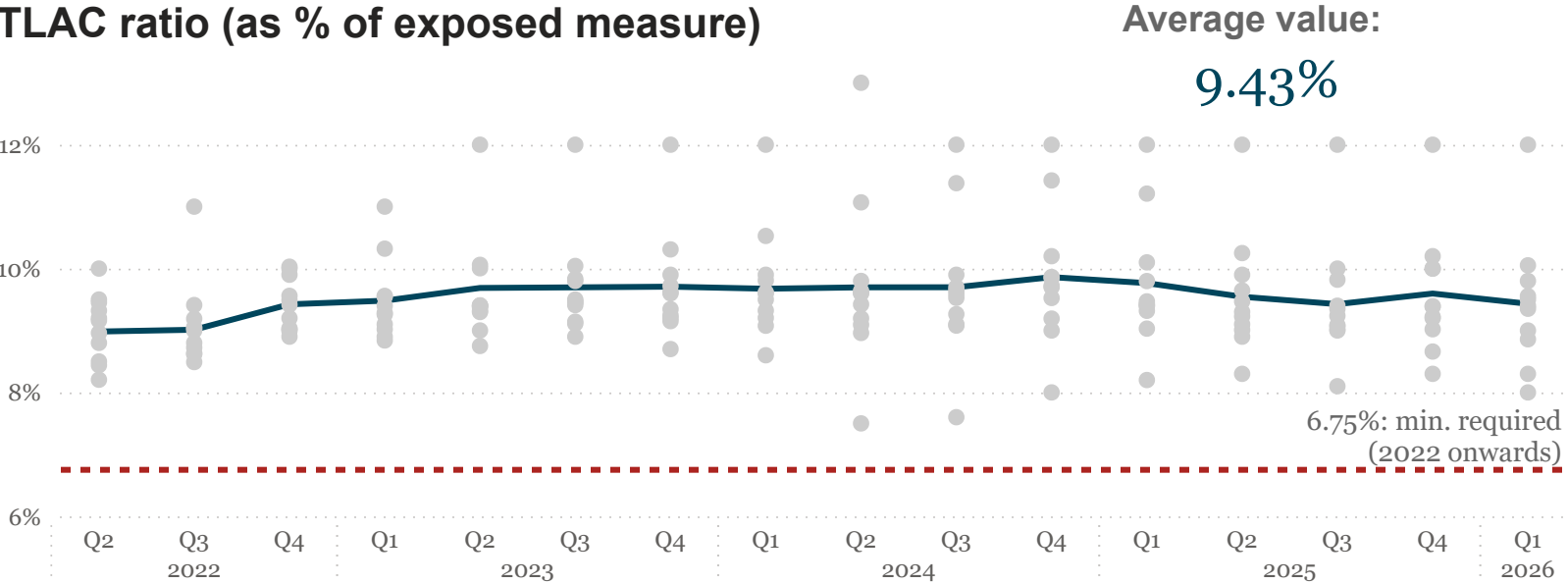
Meanwhile, in Q1 2026, UK GSIBs reported a leverage ratio of 4.37%, decreasing by 20bps QoQ (4.57%) and decreasing by 16bps YoY.

afme / TLAC ratio development

TLAC ratio (as % of RWAs)



TLAC ratio (as % of exposed measure)



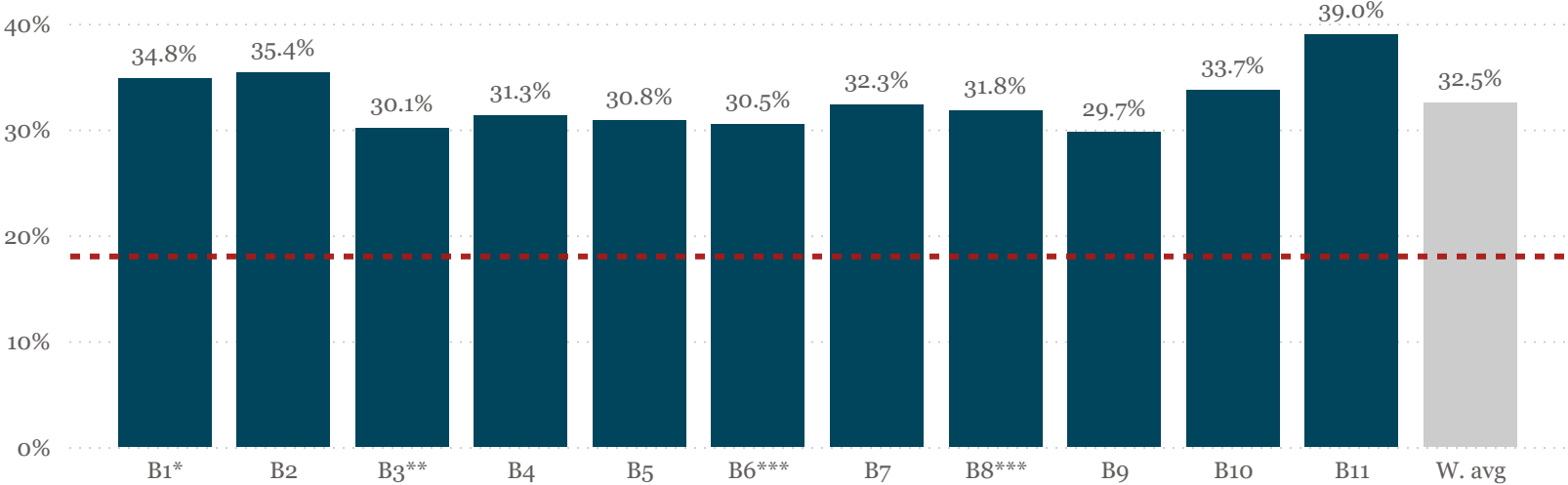
TLAC ratio

The average TLAC ratio of European GSIBs relative to RWAs reached 32.5% in Q1 2026, an increase of 0.34% compared to the previous quarter.

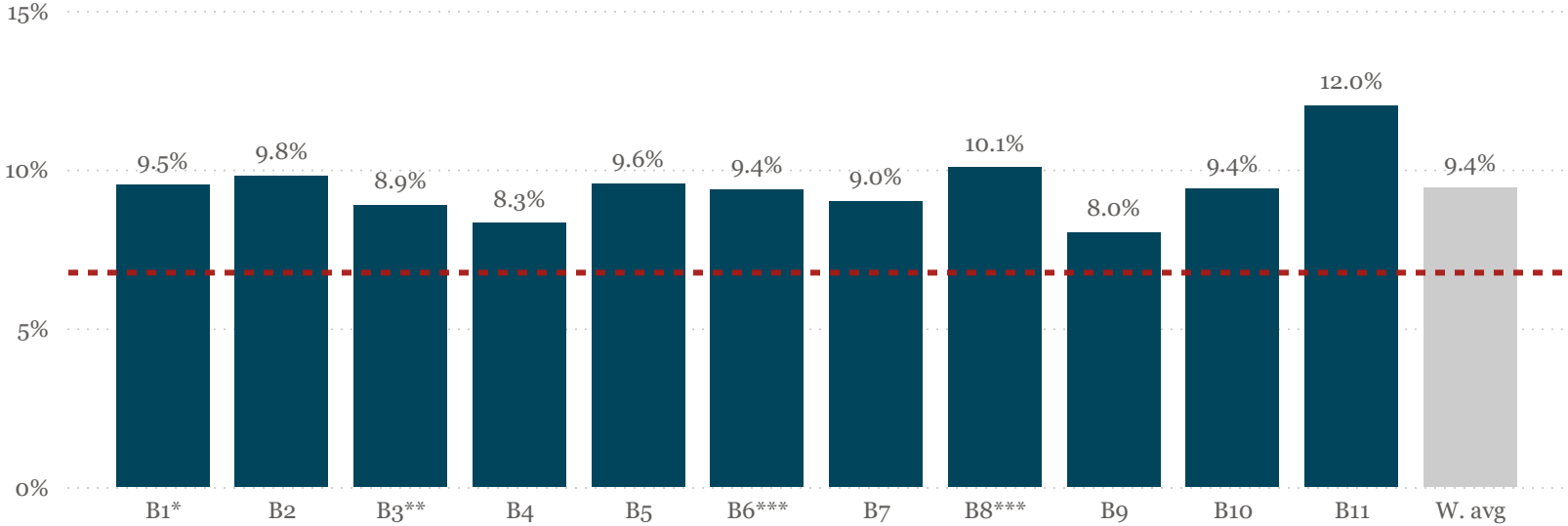
Similarly, the TLAC capital relative to the exposure measure saw a slight decrease in Q1 2026, averaging 9.43% (down from 9.60% in Q4 2025).

afme / TLAC ratio by GSIB

TLAC ratio (as % of RWAs)



TLAC ratio (as % of exposed measure)



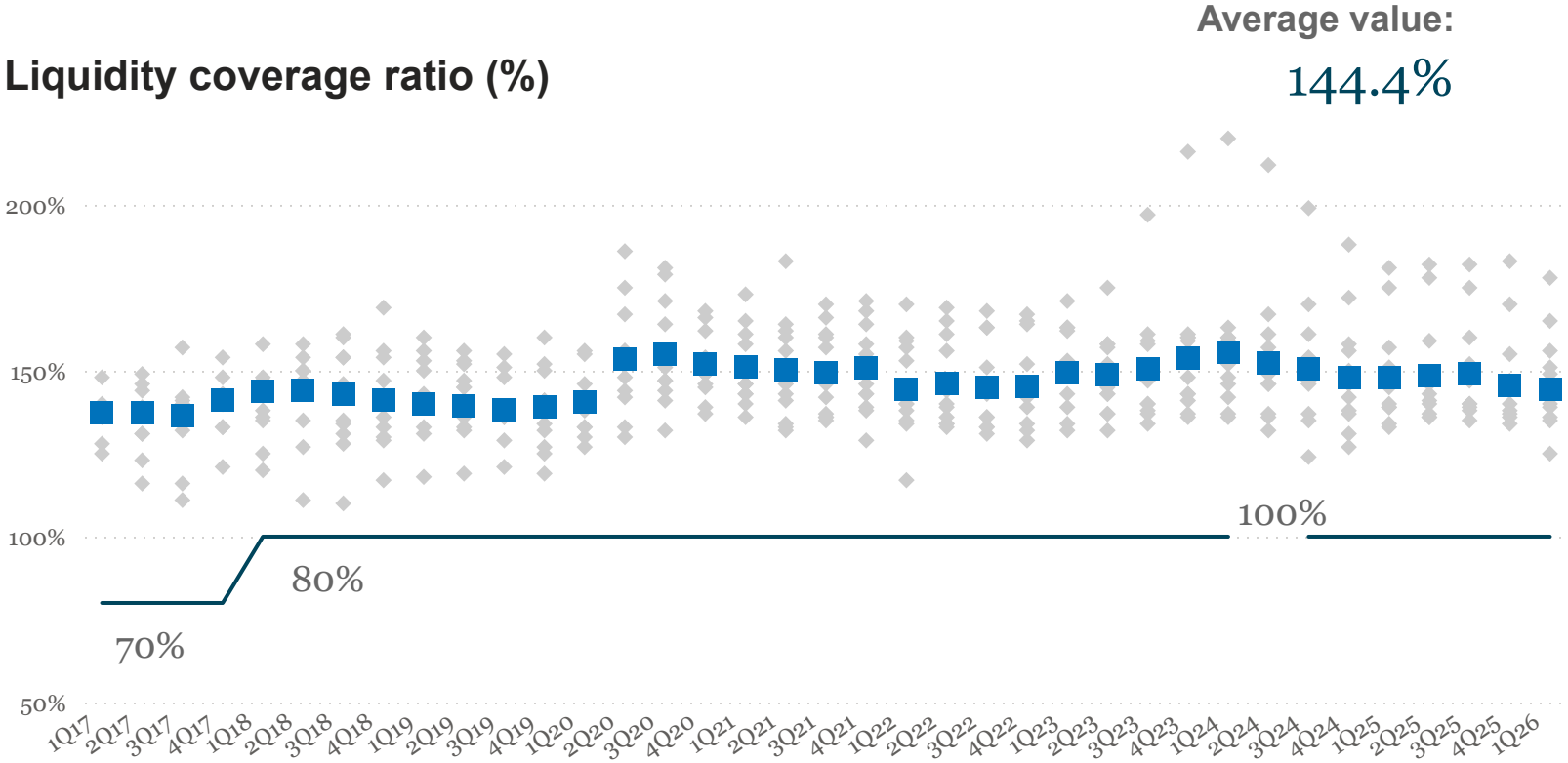
GSIBs TLAC ratios well above requirement

AFME estimates suggest that European GSIBs hold c. €1.79tn TLAC-eligible liabilities at the end of Q1 2026.

During the quarter, the TLAC ratio relative to both RWAs and exposure measure stood significantly above the minimum requirement of 18% and 6.75% respectively.

afme / Liquidity Coverage Ratio

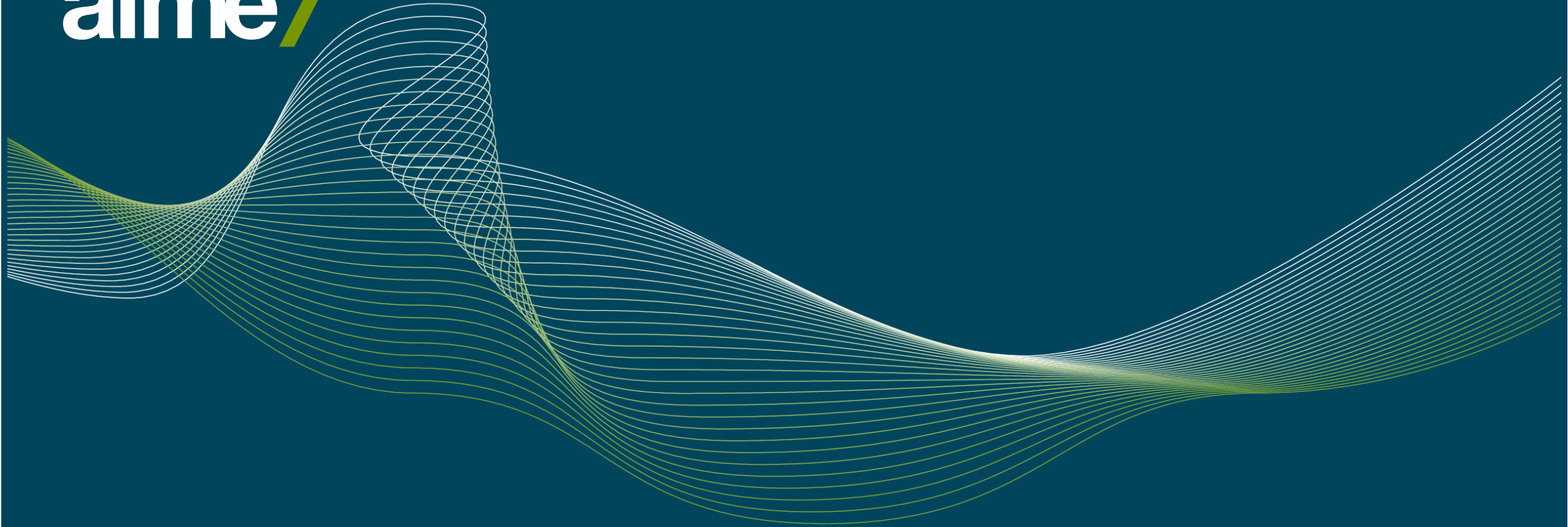
Liquidity coverage ratio (%)



Strong liquidity buffers

The aggregate liquidity coverage ratio remains well above the 100% requirement (44.4% above the minimum requirement).

Since the COVID pandemic, banks have structurally increased their liquidity buffers from c40% to c50% above requirement. Notably, one of the GSIBs stood out as an outlier at the start of 2024, maintaining liquidity at twice the required amount, but this level has steadily declined, reaching a significantly lower level by Q1 2026.



Box: Stakeholder Views on the Competitiveness of the EU Banking Sector Consultation

Stakeholder Views on the Competitiveness of the EU Banking Sector Consultation

The European Commission launched the Banking Competitiveness Consultation to gather stakeholder views on the effectiveness, proportionality and competitiveness of the EU banking framework.

The consultation covered a range of issues affecting the EU banking sector, with responses intended to support the Commission’s 2026 report on competitiveness of the EU banking sector.

This Box evaluates stakeholder responses, incorporating contributions from a broad range of participants across the EU banking ecosystem.

This analysis focuses on selected consultation questions in areas considered particularly relevant to banking competitiveness. The questions analysed include 13.6 (banks' valuation), 33.1 (application of prudential requirements), 48.1 (complexity of regulatory framework), 68.1 (output floor), 71 (SyRB), 72 (OSII buffer) and 76 (MREL).

The consultation received input from a broad range of stakeholders across the EU banking ecosystem, including market participants and public authorities.

Responses submitted to the Bank Competitiveness consultation

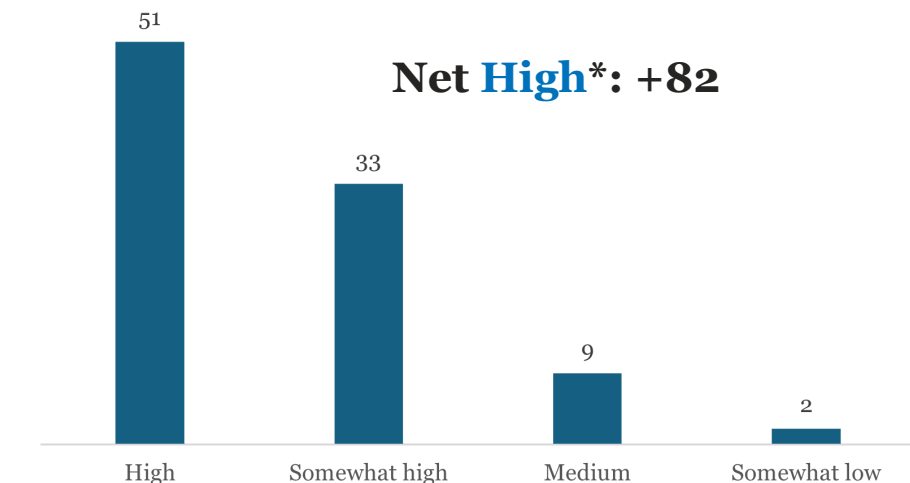
Business association	79
Undisclosed	46
Company/business	40
Public authority	24
Academic/research institution	8
Non-governmental organisation (NGO)	8
Other	7
Trade union	3
Consumer organisation	1
EU citizen	1
Total Respondents	217

Some respondents did not follow the Commission's template (e.g. the [ECB](#)) and therefore have been considered on a best efforts basis in this box. Likewise, several respondents answered some but not all of the questions of the consultation.

When tabulating the submissions, we find consensus among stakeholders that the prudential framework is complex and contributes to EU banks' price undervaluation. We also find agreement that the MREL framework and the OSII buffer need review. In other relevant items such as the level of implementation of prudential requirements (consolidated or entity-level), SyRB buffer, and output floor, we find support for review among the majority of stakeholders while public authorities show some level of caution.

How would you rate the level of undue complexity in the overall framework? (Q. 48.1)

Distribution of Responses - All Respondents



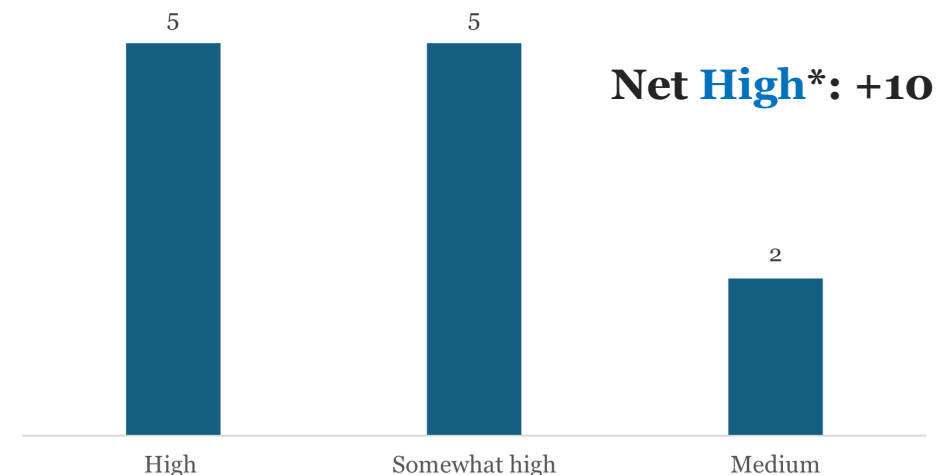
*Net = High + Somewhat High - Somewhat Low - Low

Across all stakeholders, responses indicate a very strong and consistent perception that the EU prudential framework is excessively complex. A large majority rate complexity as High (51), pointing to a clear and overwhelming consensus that complexity is a material issue within the framework.

Public authority responses reflect a similar overall direction. Notably, there are no responses indicating low complexity or disagreement with the premise, suggesting broad agreement among authorities that complexity is elevated.

The ECB did not explicitly respond to the question using the Commission's format. However, in its public response the ECB dedicated a full section (13 of the 30 pages of content) to the issue of complexity across multiple areas. This would suggest the ECB strongly recognises complexity as a key concern within the framework (or a "High" response to this question).

Distribution of Responses - Public Authorities



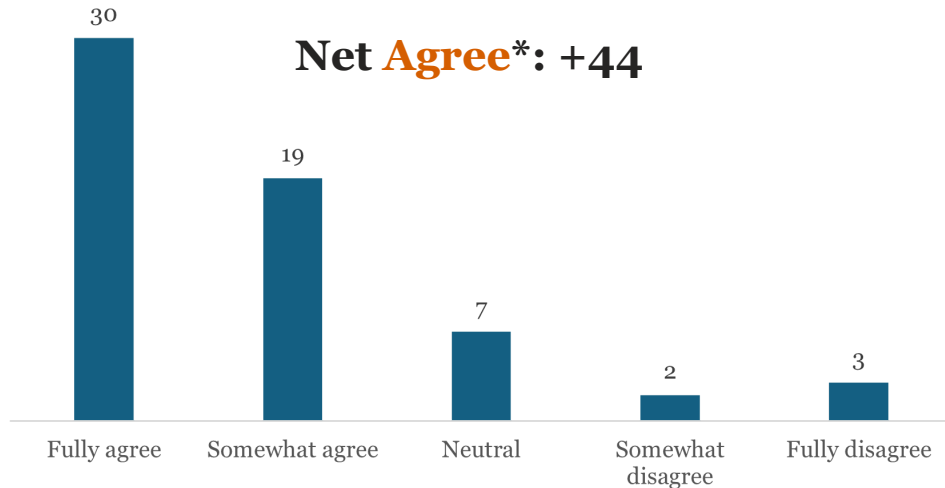
*Net = High + Somewhat High - Somewhat Low - Low

Public Authority	Opinion
Danish Government	High disagree
Government of Malta	High disagree
FR joint response (BdF, Tresor, ACPR)	High disagree
The Finnish Financial Supervisory Authority	High disagree
Narodowy Bank Polski	High disagree
The Norwegian Ministry of Finance	Somewhat high
The Central Bank of Sweden	Somewhat high
Swedish Financial Supervisory Authority	Somewhat high
Swedish Resolution and Deposit Guarantee authority	Somewhat high
Bank of Finland	Somewhat high
Ministry of Finance of Estonia	Medium
Danmarks Nationalbank	Medium

Excludes 'No Opinion' responses from ESRB, Hessian Ministry of Finance, FI FSA, and Polish DGS and Resolution Authority

Does the EU regulatory framework contribute to the undervaluation of EU banks? (Q. 13.6)

Distribution of Responses - All Respondents



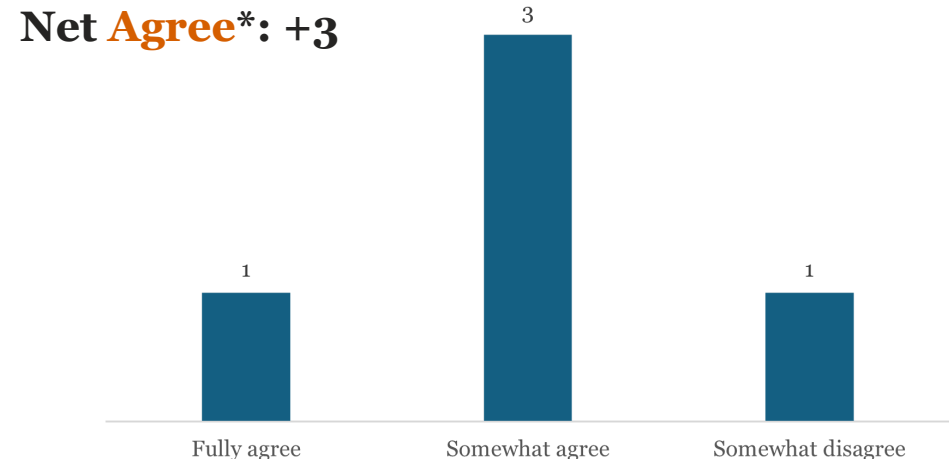
*Net = fully agree + somewhat agree - somewhat disagree - fully disagree

Across all stakeholders, responses are skewed towards agreement that the EU regulatory framework contributes to the undervaluation of EU banks, with only a small minority expressing disagreement.

Public authority responses also lean toward agreement but are less emphatic and more cautious in tone, with most respondents selecting 'somewhat agree' and the large majority preferring not to answer this question.

Overall, the results point to broad alignment across both stakeholders and public authorities that regulation plays a role in EU bank valuation dynamics. However, the strength of this view differs: stakeholders express significantly stronger conviction, while public authorities adopt a more measured position.

Distribution of Responses - Public Authorities



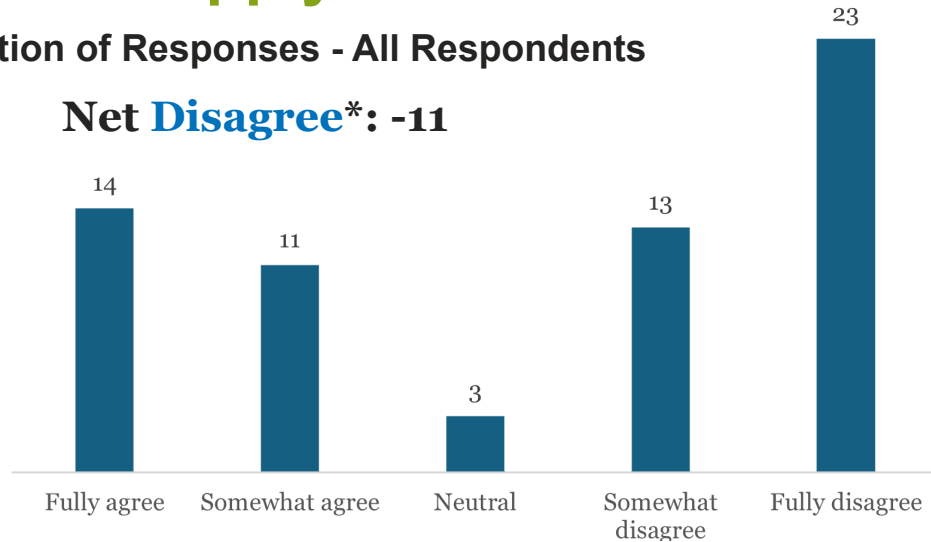
*Net = fully agree + somewhat agree - somewhat disagree - fully disagree

Public Authority	Opinion
Polish DGS and resolution authority	Fully agree
Ministry of Finance of Estonia	Somewhat agree
FR joint response (BdF, Tresor, ACPR)	Somewhat agree
Bank of Finland	Somewhat agree
Financial Stability Authority (FI)	Somewhat disagree

Excludes 'No Opinion' responses from Danish Government, Danish Central Bank, and Hessian Ministry of Finance

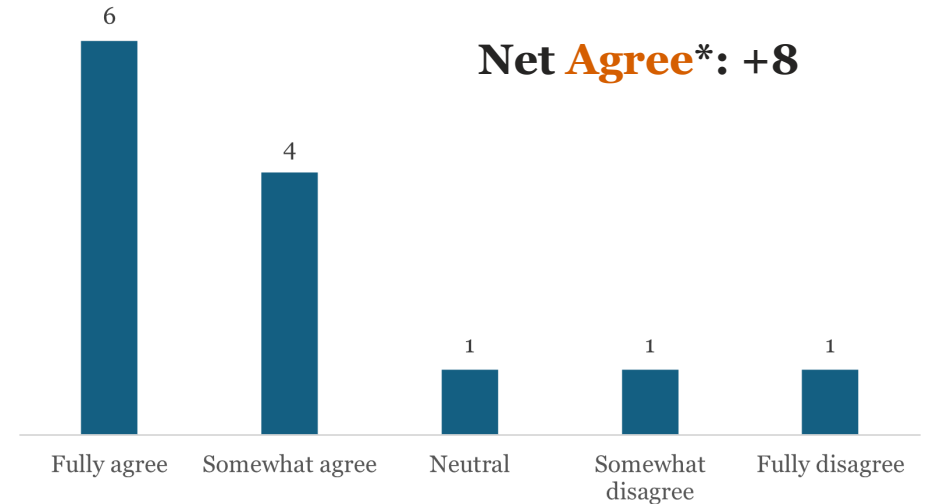
Should the existing approach to prudential requirements continue to apply at both consolidated and legal-entity level? (Q. 33.1)

Distribution of Responses - All Respondents



*Net = fully agree + somewhat disagree - somewhat disagree - fully disagree

Distribution of Responses - Public Authorities



*Net = fully agree + somewhat disagree - somewhat disagree - fully disagree

Across all stakeholders, net responses indicate disagreement towards maintaining the status quo with regards to the application of prudential requirements both at the consolidated and legal-entity level. There is an important group of stakeholders (25 of the 64 respondents to this question) that prefer the status quo, of which 10 are Public Authorities. See bottom right table.

Public authority responses show net support to the current framework. The submission by French authorities and the Danish Central bank were among the public authorities that disagreed with preserving the current approach, with an interesting lack of alignment between the Danish Government ("somewhat agree") and the Danish Central Bank ("somewhat disagree").

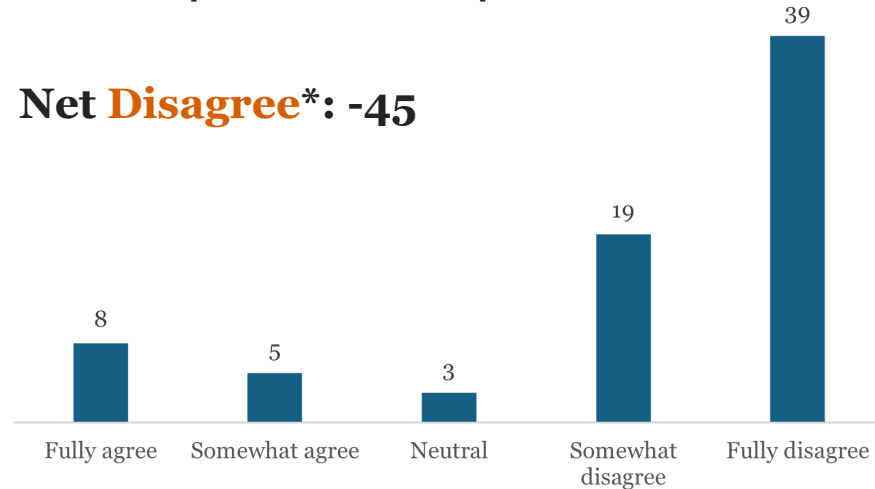
It must be noted that the ECB, although not explicitly answered the question in the Commission's format, in its public response highlighted the complexities introduced by the lack of capital and liquidity waivers, which would indicate support towards the consolidated level approach (or a "Disagree" response to this question).

Public Authority	Opinion
The Norwegian Ministry of Finance	Fully agree
Government of Malta	Fully agree
Ministry of Finance of Estonia	Fully agree
Ministry of Finance of the Czech Republic	Fully agree
Narodowy Bank Polski	Fully agree
Polish DGS and resolution authority	Fully agree
Danish Government	Somewhat agree
The Central Bank of Sweden	Somewhat agree
Swedish Financial Supervisory Authority	Somewhat agree
Swedish Resolution and Deposit Guarantee authority	Somewhat agree
Financial Stability Authority (FI)	Neutral
Danmarks Nationalbank	Somewhat disagree
FR joint response (BdF, Tresor, ACPR)	Fully disagree

Excludes 'No Opinion' response from Hessian Ministry of Finance

afme / The current CRR3 output floor framework achieves the right balance (Q. 68.1)

Distribution of Responses - All Respondents



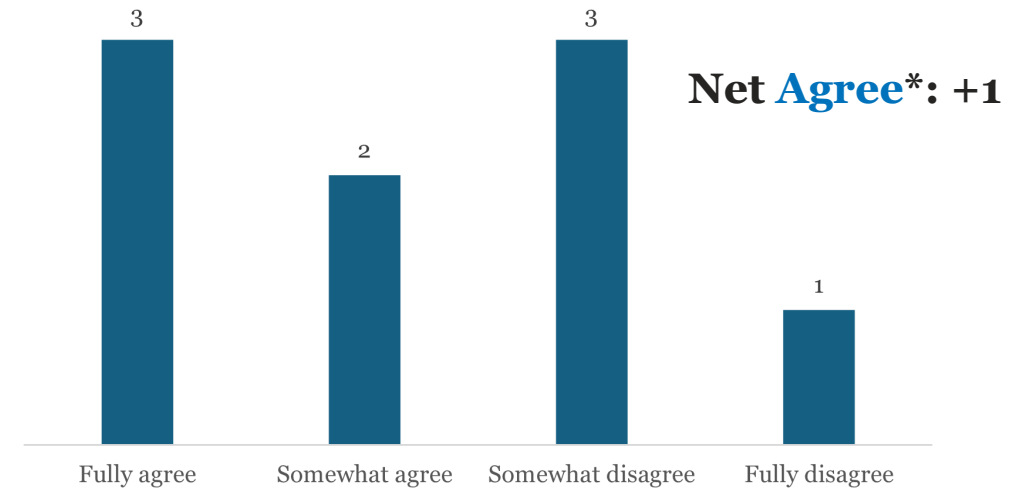
*Net = Fully Agree + Somewhat Agree - Somewhat Disagree - Fully Disagree

Across all stakeholders, responses show a clear and pronounced view that CRR3 output floor rules do not achieve the right balance. A strong majority of respondents express disagreement, indicating widespread concern about the calibration and impact of the framework.

Public authority responses present a more mixed distribution. While a notable share express agreement, a comparable number indicate disagreement. This results in a fairly balanced split, with no clear consensus emerging among public authorities that have submitted their response.

Overall, the results indicate broad stakeholder concern that the CRR3 output floor does not appropriately balance prudential objectives with competitiveness considerations, while public authorities show a more fragmented and less decisive position.

Distribution of Responses - Public Authorities



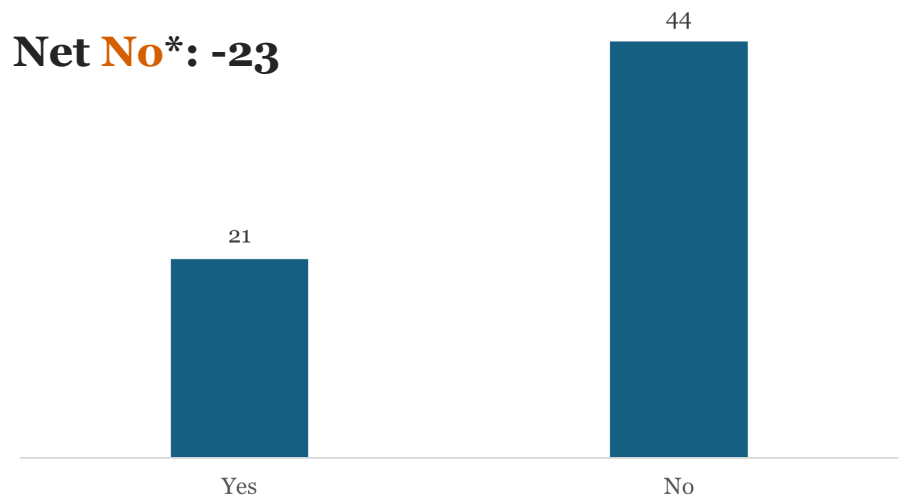
*Net = Fully Agree + Somewhat Agree - Somewhat Disagree - Fully Disagree

Public Authority	Opinion
The Central Bank of Sweden	Fully agree
Swedish Financial Supervisory Authority	Fully agree
Resolution and Deposit Guarantee authority	Fully agree
The Norwegian Ministry of Finance	Somewhat agree
The Finnish Financial Supervisory Authority	Somewhat agree
FR joint response (BdF, Tresor, ACPR)	Somewhat disagree
Danmarks Nationalbank	Somewhat disagree
Bank of Finland	Somewhat disagree
Danish Government	Fully disagree

Excludes 'No Opinion' responses from Hessian Ministry of Finance, Ministry of Finance of Estonia, and FI FSA

Is there a need to maintain sectoral buffers for real-estate exposures? (i.e. SyRB) (Q. 71)

Distribution of Responses - All Respondents

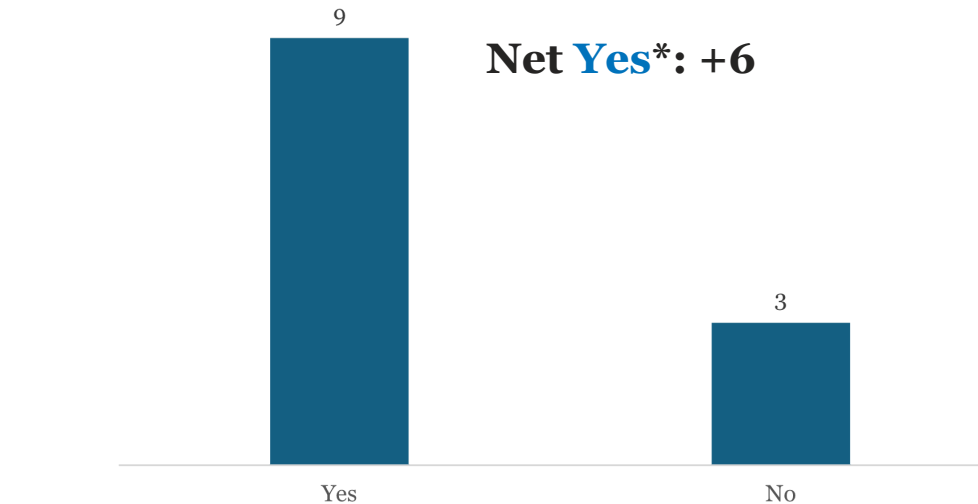


*Net = Yes - No

Across all stakeholders, responses indicate a clear preference against maintaining sectoral buffers for real-estate exposures (or the SyRB buffer, which is traditionally used for Real Estate risks, although occasionally some authorities also use it for wider national risks). A majority of respondents answer 'No' (44), compared to 21 'Yes', pointing to a strong degree of scepticism regarding the continued need for such buffers.

In contrast, public authority responses show a markedly different distribution. A clear majority support maintaining the buffers (9 'Yes' vs 3 'No'), indicating a stronger inclination toward retaining targeted macroprudential tools.

Distribution of Responses - Public Authorities



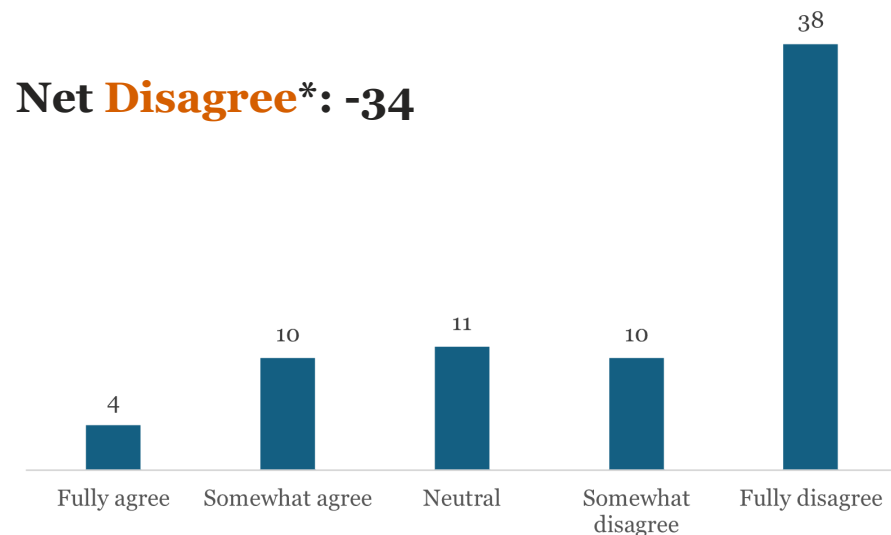
*Net = Yes - No

Public Authority	Opinion
Government of Malta	Yes
Ministry of Finance of Estonia	Yes
European Systemic Risk Board (ESRB)	Yes
The Central Bank of Sweden	Yes
The Finnish Financial Supervisory Authority	Yes
Swedish Financial Supervisory Authority	Yes
Swedish Resolution and Deposit Guarantee authority	Yes
Danmarks Nationalbank	Yes
Bank of Finland	Yes
FR joint response (BdF, Tresor, ACPR)	No
Financial Stability Authority (FI)	No
Narodowy Bank Polski	No

Excludes 'No Opinion' responses from Hessian Ministry of Finance, Danish Government, and CZ Ministry of Finance

The current O-SII buffer calibration should be maintained while enhancing transparency and accountability (Q. 72)

Distribution of Responses - All Respondents

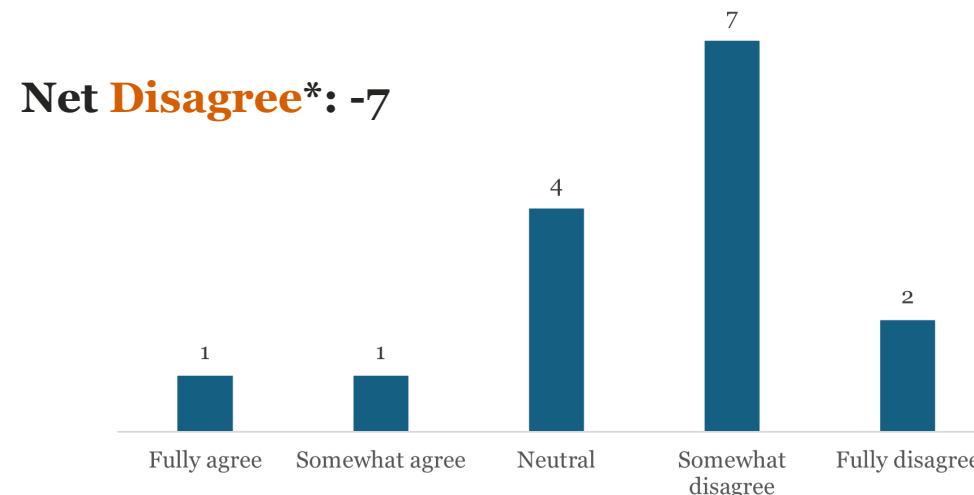


*Net = Fully Agree + Somewhat Agree - Somewhat Disagree - Fully Disagree

Across all stakeholders, responses indicate a clear tendency towards questioning the need to maintain the current O-SII buffer framework, with a substantial share of respondents *fully disagreeing* that the framework should be maintained in its current form.

Public authority responses also show a generally view in favour of changing the current framework, with only the Danish Government and the Norwegian Ministry of Finance as the authorities that support maintaining the current O-SII framework.

Distribution of Responses - Public Authorities



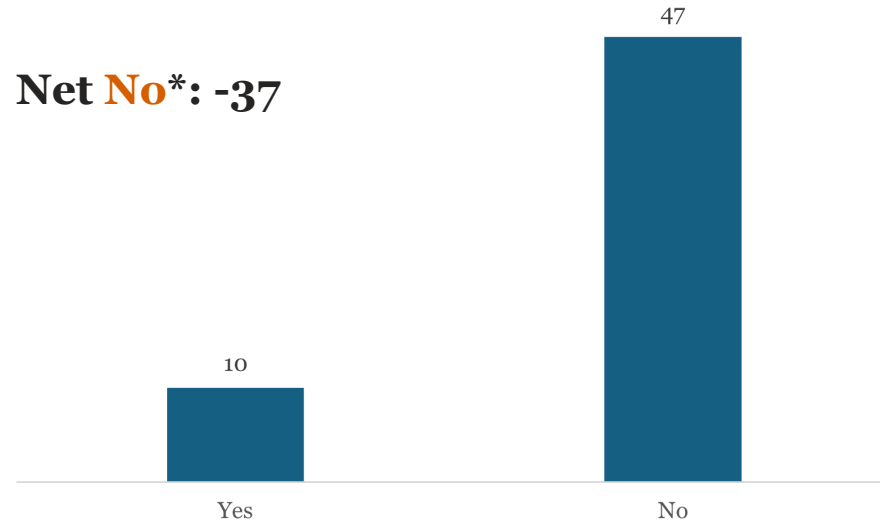
*Net = Fully Agree + Somewhat Agree - Somewhat Disagree - Fully Disagree

Public Authority	Opinion
Danish Government	Fully agree
The Norwegian Ministry of Finance	Somewhat agree
Ministry of Finance of Estonia	Neutral
Latvijas Banka	Neutral
Ministry of Finance of the Czech Republic	Neutral
Danmarks Nationalbank	Neutral
European Systemic Risk Board (ESRB)	Somewhat disagree
The Central Bank of Sweden	Somewhat disagree
Financial Stability Authority (FI)	Somewhat disagree
The Finnish Financial Supervisory Authority	Somewhat disagree
Swedish Financial Supervisory Authority	Somewhat disagree
Swedish Resolution and Deposit Guarantee authority	Somewhat disagree
Narodowy Bank Polski	Somewhat disagree
Government of Malta	Fully disagree
Bank of Finland	Fully disagree

Excludes 'No Opinion' response from Hessian Ministry of Finance

afme / Are the current MREL target rules considered effective and predictable? (Q. 76)

Distribution of Responses - All Respondents

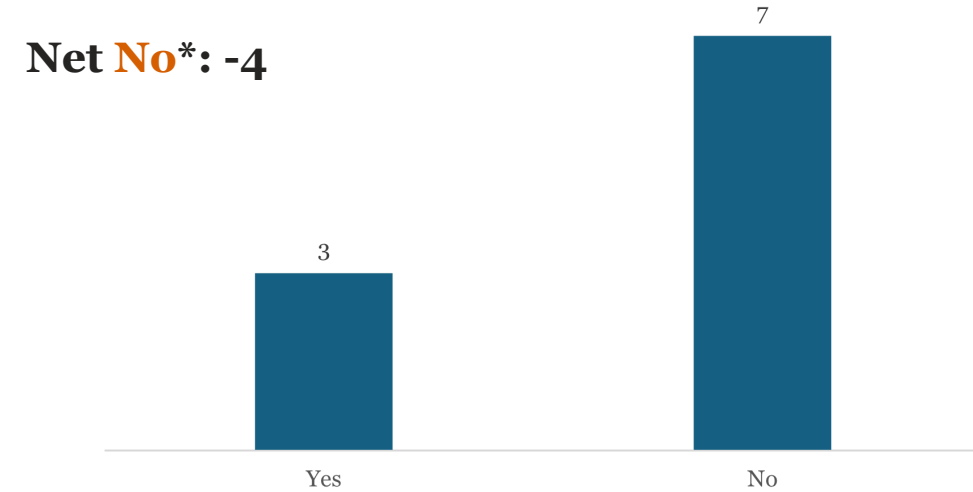


*Net = Yes - No

Across all stakeholders, responses indicate a clear perception that current MREL target rules are not considered effective, efficient, clear, or predictable. A large majority of respondents answer 'No' (47), significantly outweighing those who consider the framework effective (10 'Yes').

Public authority responses, while based on a smaller sample, also reflect a similar direction of sentiment. The majority of responses indicate 'No', with limited support for the current MREL rules.

Distribution of Responses - Public Authorities



*Net = Yes - No

Public Authority	Opinion
Ministry of Finance of Estonia	Yes
Financial Stability Authority (FI)	Yes
Danmarks Nationalbank	Yes
FR joint response (BdF, Tresor, ACPR)	No
The Central Bank of Sweden	No
Ministry of Finance of the Czech Republic	No
The Finnish Financial Supervisory Authority	No
Swedish Financial Supervisory Authority	No
Swedish Resolution and Deposit Guarantee authority	No
Narodowy Bank Polski	No

Excludes 'No Opinion' response from the Danish Government and the Government of Malta

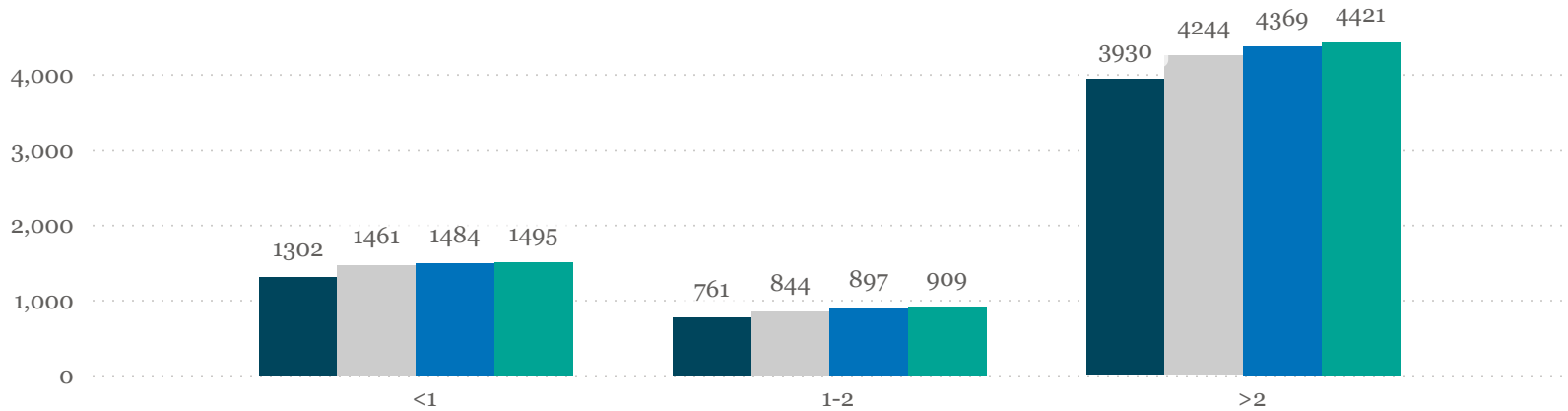


Funding Structure

afme / EU banks: debt maturity wall

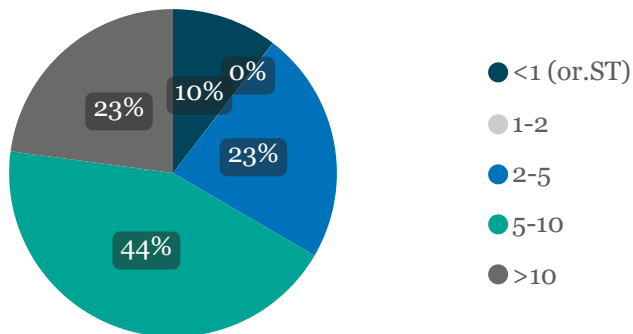
Maturity profile of EA banks' outstanding debt securities (€bn, maturity in years)

● Mar-23 ● Mar-24 ● Mar-25 ● Mar-26

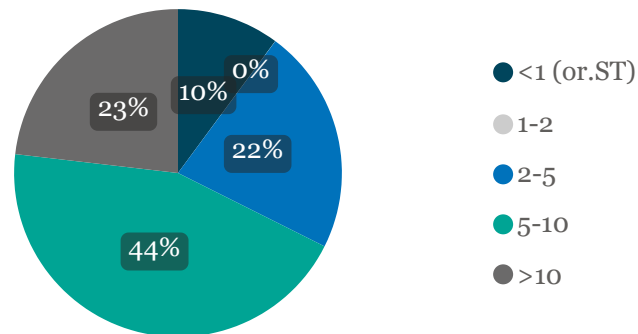


Original debt maturity

Mar-25:



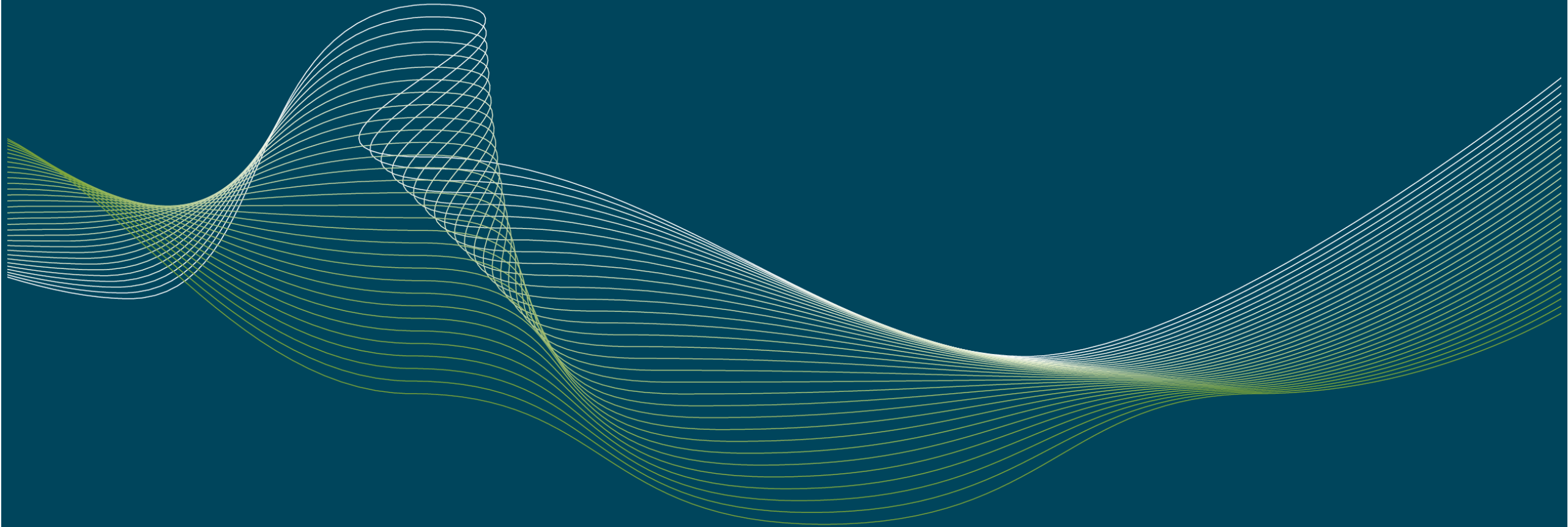
Mar-26:



Stable magnitude of long and medium-term debt securities of European banks

Since March 2023, European banks have steadily expanded their debt liabilities, growing at a CAGR of 4.43%, from €5,993bn to €6,825bn as of March 2026.

Compared to the previous year, the composition of securities has remained broadly stable, with the majority of instruments having maturities from 5 to 10 years.

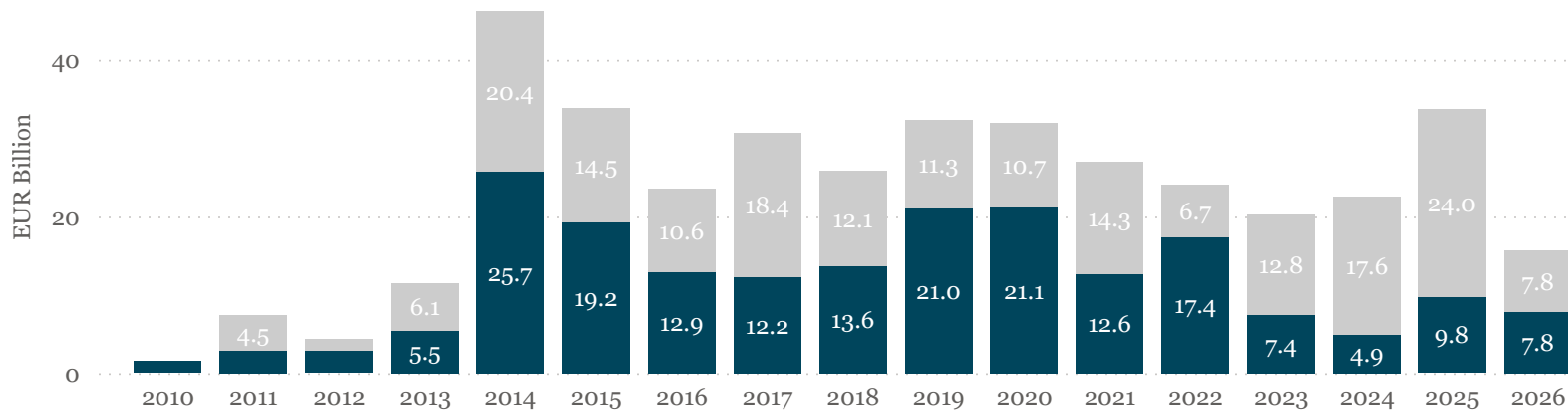


Contingent Convertibles (CoCo)

afme / European CoCo issuance

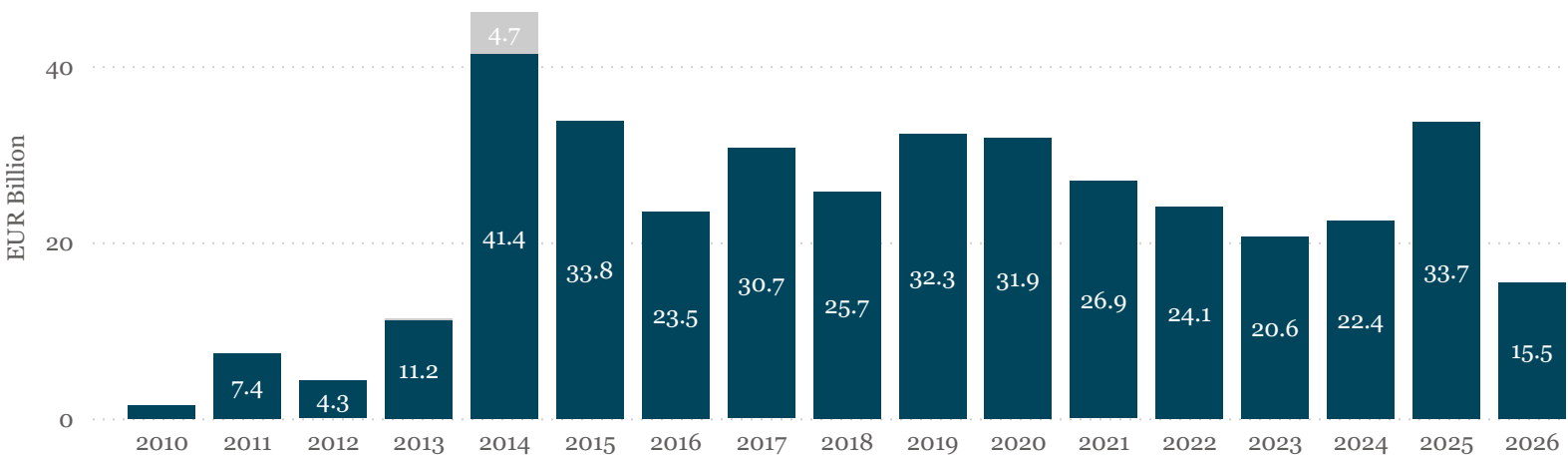
Tier 1 CoCo issuance by loss absorbing mechanism

● Principal writedown ● Equity conversion



CoCo issuance by capital tiering

● Tier I ● Tier II



Coco Issuance split evenly across loss-absorption mechanisms

During Q1 2026, European GSIBs issued a total of €15.6bn in Contingent Convertible instruments. This represents a 110.5% increase YoY (compared to €7.41bn issued in Q1 2025).

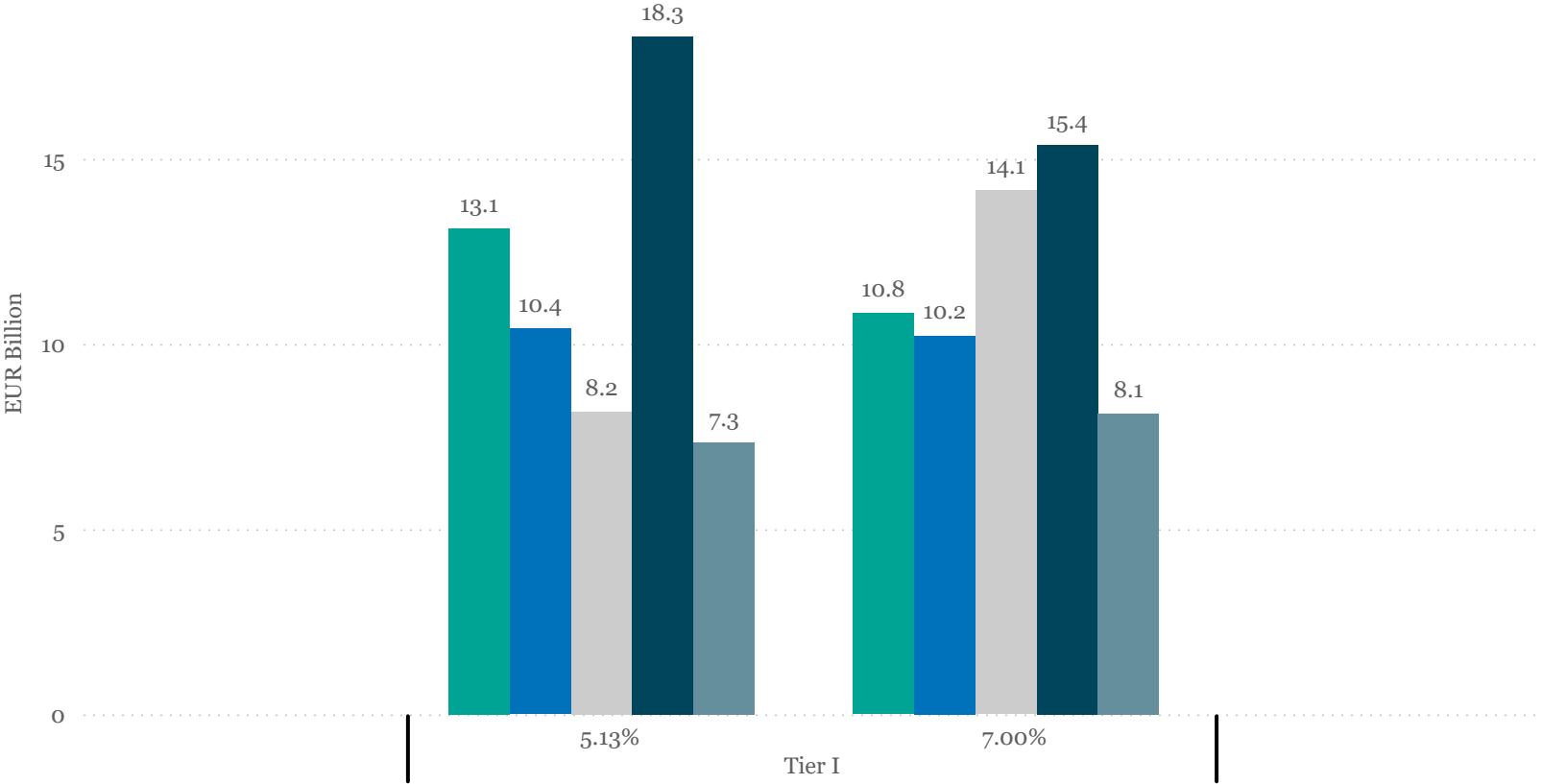
In 2026 YtD, CoCo instruments carrying an equity conversion loss absorbing mechanism represented 50% (€7.8bn) of issuance, while the remaining €7.8bn contains a principal writedown loss absorption mechanism.

All of the CoCo instruments issued in 2026 YtD were classified as Tier 1 capital.

The average deal value in Q1 was €527m.

CoCo Issuance by Trigger

● 2022 ● 2023 ● 2024 ● 2025 ● 2026



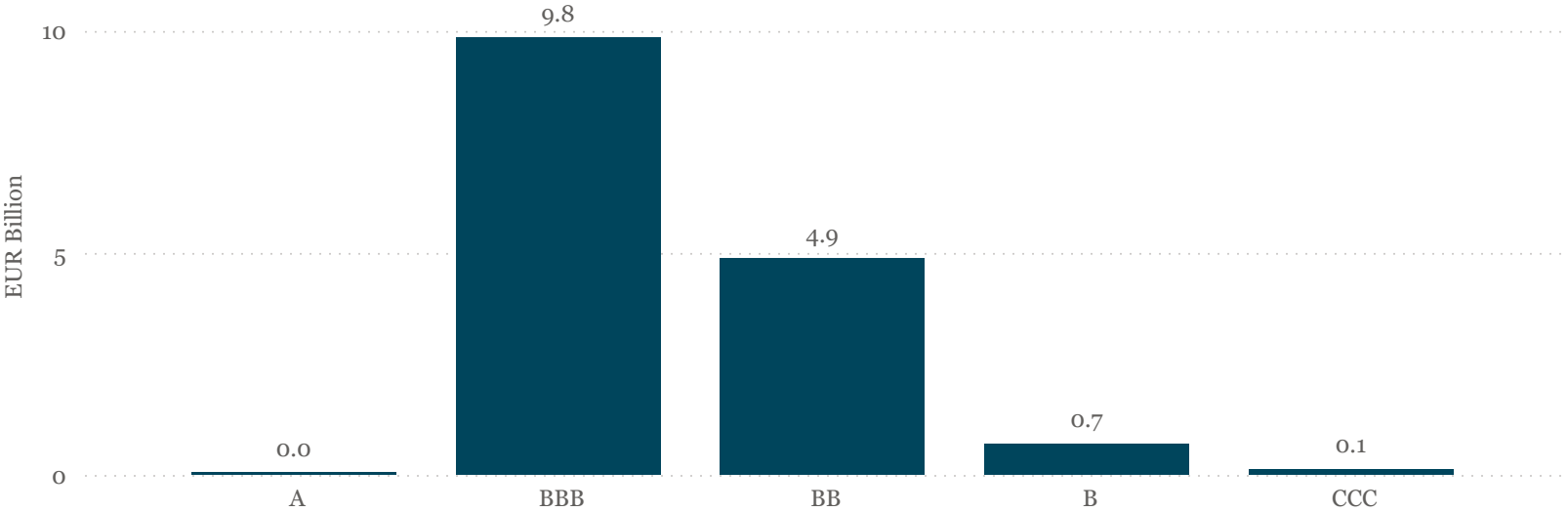
CoCo capital triggers

59.8% of the Tier 1 CoCo instruments issued by European GSIBs during 2026 Q1 were originated on the basis of a 5.125% capital trigger. The remaining 40.2% carried a capital trigger of 7%.

The distribution of capital triggers remains relatively balanced in Q1 2026, with a moderate skew towards the 5.125% threshold. This contrasts with 2024, where issuance was more heavily concentrated in instruments featuring a 7% trigger, and indicates a partial shift back towards lower trigger levels observed in earlier years.

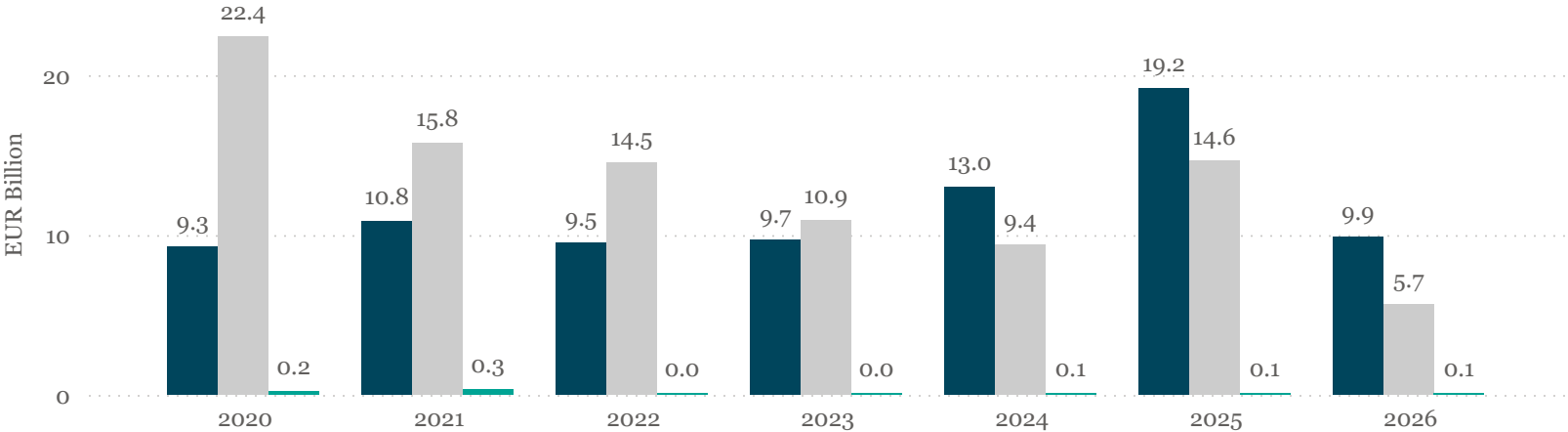
afme / European CoCo issuance

CoCo issuance by credit rating: 2026 YTD



CoCo issuance by credit risk

● Investment Grade ● High Yield ● NA/Not rated



Shift towards higher credit quality continues in CoCo issuance

In 2026 Q1, Investment-grade CoCo instruments represented the majority of total issuance (63.1%), while the remaining share consisted of high yield instruments (36.3%) and not rated securities (0.6%). This continues the shift initiated in 2024, which was the first year dominated by investment-grade CoCo issuance.

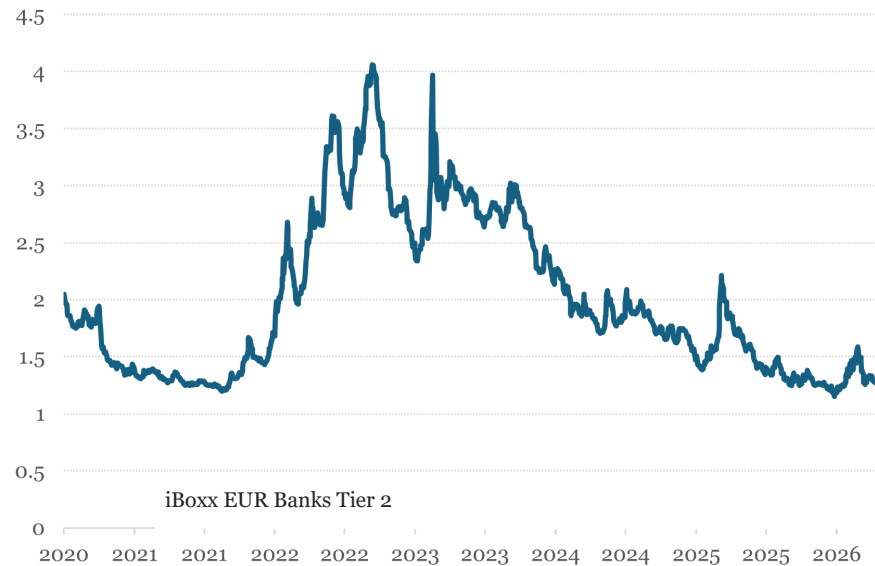
CoCo securities with a BBB rating accounted for 63.2% of the total 2026 issued amount to date. Those rated BB represented 31.5%, while the remaining 5.3% consisted of A, B, and CCC.

afme / CoCo risk premia

AT1 CoCo option-adjusted spread (OAS) (%)



Tier 2 CoCo option-adjusted spread (OAS) (%)



AT1 and Tier 2 risk premia stabilise in Q1 2026 following sustained tightening

The Option-Adjusted Spread (OAS) of European Additional Tier 1 and Tier 2 CoCo instruments experienced two significant increases in the last five years. The initial surge occurred in Q1 2020 following the onset of the COVID-19 pandemic. The subsequent major shock took place in March 2023, albeit of marginally lower magnitude, following the write-down of a major Swiss bank's AT1 securities.

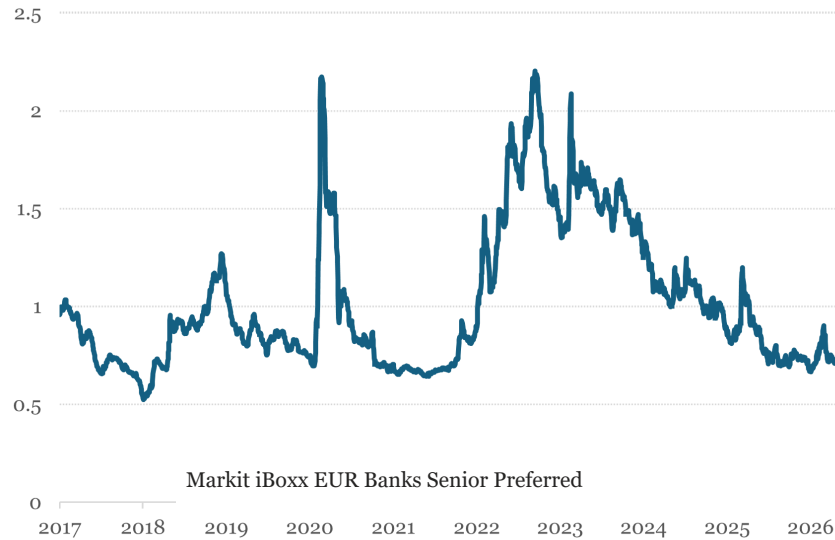
Option-Adjusted Spreads for AT1 and T2 temporarily increased by 100bps in early April 2025 following the US tariff announcement, before entering a sustained downward trend through the remainder of 2025.

In Q1 2026, spreads broadly stabilised, with AT1 instruments showing a modest widening during February and March before easing again toward quarter-end, while T2 spreads remained relatively stable at lower levels compared to 2025.

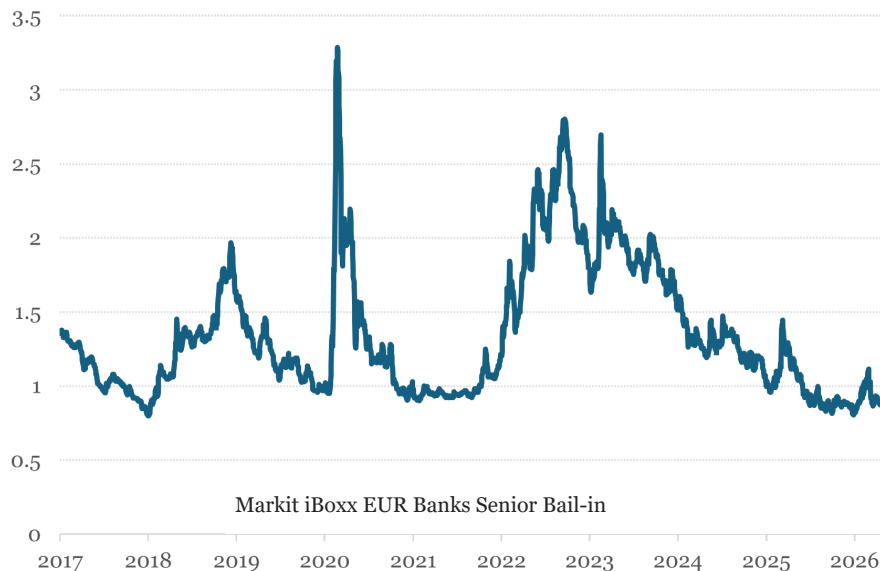
AT1 and T2 OAS stood at c. 3.5% and 1.5%, respectively, at the end of Q1 2026.

afme / Other capital instruments

Senior Preferred (SP) option-adjusted spread (OAS) (%)



Senior Non-Preferred (SNP) Bail-in option-adjusted spread (OAS) (%)



Senior Preferred and Bail-in Spreads remain near multi-year lows into 2026

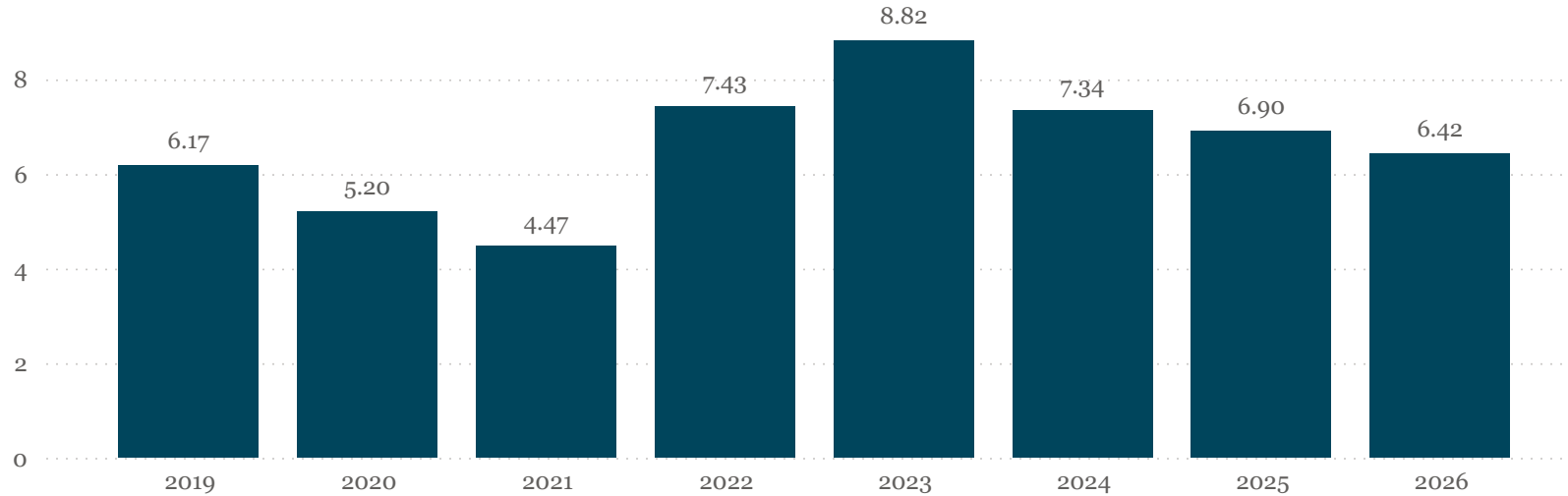
The Option-Adjusted Spread (OAS) of Senior Preferred (SP) and Senior Non Preferred (SNP) Bail-in instruments has undergone several periods of volatility over the last ten years. The most notable increases occurred in early 2020 at the onset of the COVID-19 pandemic.

Spreads saw a brief upward pressure in early April 2025, consistent with reactions across the broader CoCo market, before resuming their downward trajectory in the second half of the year.

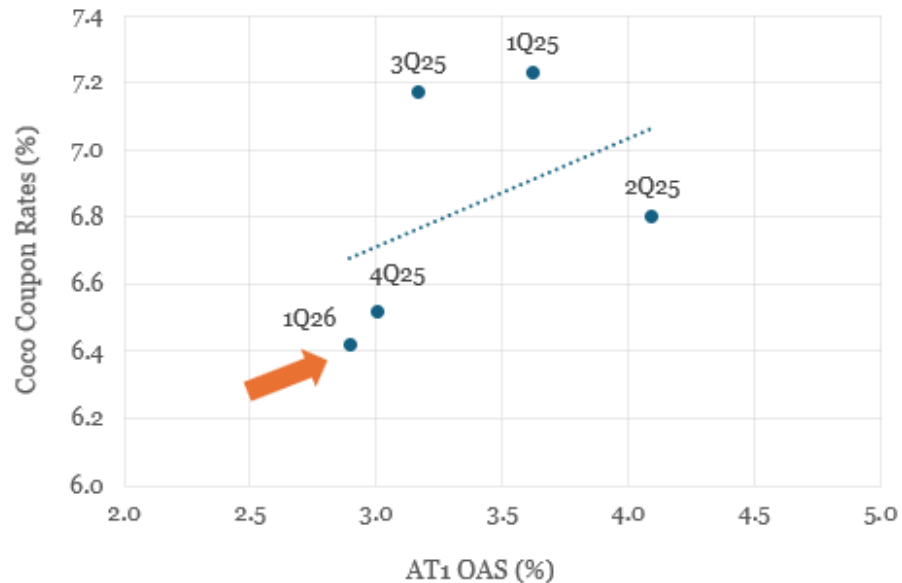
By the end of 2025, risk premia in both segments had compressed to multi-year lows. This trend largely persisted into Q1 2026, with spreads stabilising at historically tight levels. While there are signs of modest short-term fluctuations the overall market tone remains robust

afme / CoCo coupon rates

Weighted average coupons of fixed-rate CoCos (%)



Weighted average coupons of fixed-rate CoCos (%)



Coupon rates continue to decline from 2023 highs

The weighted average coupon of fixed-rate CoCo instruments issued in 2026 Q1 stood at 6.42%, continuing the decline from the 2023 peak of 8.82%.

Coupon rates have gradually decreased over the last two years from the peak values observed in 2023, mainly driven by lower inflation expectations, a general decline in long-term yields, and lower risk premia (OAS) for AT1 instruments.

afme / Recently issued CoCo

Pricing Date	Issuer	Tier Capital	Deal Total Value (Euro)	Trigger	Conversion Mechanism	Issue Rate	Effective Rating (Launch)	Maturity	Coupon
05-Jan-26	UBS Group AG	Tier I	1,279,972,694	7.00%	equity conversion	Fixed rate	BBB-	Perpetual	6.62
05-Jan-26	UBS Group AG	Tier I	1,279,972,694	7.00%	equity conversion	Fixed rate	BBB-	Perpetual	7
06-Jan-26	Standard Chartered plc	Tier I	498,637,059	7.00%	equity conversion	Fixed rate	BBB-	Perpetual	4.3
07-Jan-26	Sparebanken Norge	Tier I	34,055,886	5.125%	writedown	Floating rate note	A+	Perpetual	6.65
08-Jan-26	Societe Generale	Tier I	855,578,371	5.125%	writedown	Fixed rate conv. to floating rate note	BB+	Perpetual	7.12
12-Jan-26	UniCredit	Tier I	1,000,000,000	5.125%	writedown	Fixed rate adjustable	BB	Perpetual	5.8
13-Jan-26	Raiffeisen Bank International AG	Tier I	650,000,000	5.125%	writedown	Fixed rate conv. to floating rate note	BB	Perpetual	6.2
15-Jan-26	Bank Millennium SA	Tier I	356,129,584	5.125%	writedown	Fixed rate	BB-	Perpetual	8.88
27-Jan-26	Borgo AB	Tier I	33,038,816	7.00%	writedown	Floating rate note		Perpetual	6
28-Jan-26	Sekerbank TAS	Tier I	125,759,799	5.125%	writedown	Fixed rate conv. to floating rate note	CCC+	Perpetual	9.45
29-Jan-26	Paragon Banking Group plc		172,830,971	7.00%	equity conversion	Fixed rate	BB	Perpetual	7.5
03-Feb-26	ING Groep NV	Tier I	1,267,641,342	7.00%	equity conversion	Fixed rate conv. to floating rate note	BBB	Perpetual	6.5
05-Feb-26	NBG	Tier I	500,000,000	5.125%	writedown	Fixed rate conv. to floating rate note	BB-	Perpetual	5.8
09-Feb-26	BNP Paribas SA	Tier I	1,250,000,000	5.125%	writedown	Fixed rate conv. to floating rate note	BBB-	Perpetual	5.62
10-Feb-26	UBS Group AG	Tier I	594,124,113	7.00%	equity conversion	Fixed rate	BBB-	Perpetual	7.12
10-Feb-26	Intesa Sanpaolo SpA	Tier I	750,000,000	5.125%	writedown	Fixed rate	BB+	Perpetual	5.5
10-Feb-26	Intesa Sanpaolo SpA	Tier I	500,000,000	5.125%	writedown	Fixed rate	BB+	Perpetual	5.88
12-Feb-26	Akbank	Tier I	504,456,028	5.125%	writedown	Fixed rate	B-	Perpetual	7.95
17-Feb-26	Nykredit Realkredit A/S	Tier I	500,000,000	7.00%	writedown	Fixed rate	BBB	Perpetual	5.25
03-Mar-26	SpareBank 1 Nord-Norge	Tier I	11,164,253			Fixed rate	A+	Perpetual	
17-Mar-26	HSBC Holdings plc	Tier I	1,089,561,996	7.00%	equity conversion	Fixed rate	BBB	Perpetual	6.75
17-Mar-26	HSBC Holdings plc	Tier I	1,089,561,996	7.00%	equity conversion	Fixed rate	BBB	Perpetual	7
18-Mar-26	Danske Bank	Tier I	434,197,386	7.00%	equity conversion	Fixed rate conv. to floating rate note	BBB	Perpetual	6.6
23-Mar-26	Halkbank	Tier I	181,515,222	5.125%	writedown	Fixed rate conv. to floating rate note	B+	Perpetual	8.3
25-Mar-26	Avanza Bank Holding AB	Tier I	46,177,432	7.00%	equity conversion	Floating rate note		Perpetual	5.04
26-Mar-26	Svenska Handelsbanken AB	Tier I	129,557,653	5.125%	writedown	Fixed rate conv. to floating rate note	BBB+	Perpetual	5.3
26-Mar-26	Svenska Handelsbanken AB	Tier I	425,689,432	5.125%	writedown	Floating rate note	BBB+	Perpetual	4.54
27-Mar-26	Aktia Bank Oyj	Tier I	80,000,000	5.125%	equity conversion	Fixed rate conv. to floating rate note	BB+	Perpetual	6.75

Contacts

Research

Amy Hogan
Graduate, Research
Amy.Hogan@afme.eu
+32 (0)2 883 55 42

Julio Suarez

Managing Director, Research
Julio.Suarez@afme.eu
+32 (0)2 883 55 50

Prudential

Caroline Liesegang

Head of Prudential Regulation
Caroline.Liesegang@afme.eu
+44 (0)20 3828 2676

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The voice of the leading banks in Europe's financial markets

London Office

Level 10
20 Churchill Place
London E14 5HJ
United Kingdom
+44 (0)20 3828 2700

Brussels Office

Rue de la Loi, 82
1040 Brussels
Belgium
+32 (0)2 788 3971

Frankfurt Office

AFME c/o SPACES, Große
Gallusstraße 16-18,
60312 Frankfurt am Main,
Germany
+49 69 153 258 963



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