



KPMG SSM Insights

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Welcome to the quarterly KPMG SSM Insights newsletter. As always, it offers a collection of articles that highlight thought-provoking issues for European banks, with a particular focus on the impact of supervision and regulation. We hope it will be of real interest.

During the past year KPMG's ECB Office has produced a number of publications, including two in a new 'SSM beyond COVID-19' series taking an in-depth look at [credit risk](#) and [operational resilience](#). We have also published a [Post-Brexit guide](#) for banks relocating to the Euro area and an introduction to [KPMG Peer Bank](#), our proprietary benchmarking tool for European banks.

The SSM's four supervisory priorities for 2021 are credit risk management, capital strength, business model sustainability and governance. Unsurprisingly, the ECB also plans to focus supervisory efforts on areas materially affected by the current crisis. In this newsletter we draw banks' attention to the key areas where supervisory thinking and actions are evolving rapidly.

Looking ahead, it's worth noting that the ECB is keen to maintain its supervisory focus on medium to longer term structural risks beyond COVID-19. In the same way, we plan to continue our 'SSM beyond COVID-19' series during 2021. For now, as we look hopefully forward, we wish you an enjoyable and productive summer.

We look forward to hearing your views on any of these topics, and would be delighted to answer any questions you might have.



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SSM beyond COVID-19

This publication series focuses on current changes in the supervisory landscape and how banks can benefit from them. Like many aspects of our lives right now, predicting the future is hard. In this series, we identify some of the key challenges for European banks – and opportunities – beyond COVID-19.

[Credit risk](#) | [Operational resilience](#)

Latest Insights



Stress Test 2021: More test, more stress

The current EU-wide stress test is the toughest yet and is likely to result in significant CET1 depletion. With stress tests becoming increasingly demanding, frequent and impactful banks need to ensure they have the data and resources in place to meet expectations.

[Read more](#)



Supervisors' focus on credit risk is growing

With the outlook for asset quality looking cloudy, supervisors are increasing their focus on credit risk management. Data demands are growing fast and seem certain to increase in intensity over the coming months. The ability to respond quickly and efficiently is becoming critical.

[Read more](#)



Climate, Environment and ESG

Climate change and ESG risks are not just a long-term problem. Banks must act fast to integrate ESG factors into their risk management frameworks. Many will require a major programme of improvements if they're to meet growing supervisory expectations and fulfil the requirements of 2022's ECB stress test.

[Read more](#)



The Digital Euro: the digitalisation of the banking sector heats up

The accelerating digitalisation of the monetary system and the possibility of a digital euro pose potential opportunities and challenges for banks, customers and regulators. Institutions need to stay on top of fast-changing risks and be ready for changing supervisory requirements.

[Read more](#)



The future of fit and proper

Internal governance is a key factor in banks' ability to navigate through and beyond the COVID-19 crisis – however it remains one of the areas with the most findings and need for follow-up actions during the SREP.

[Read more](#)



Post-Brexit: banks relocating to the Euro Area

Understand the key supervisory elements and challenges when upscaling or creating a new bank in the Euro Area in a world post-Brexit.

[Read more](#)

Watch: KPMG Peer Bank

Interested in learning how banks compare to others? Take a look at this short video on how KPMG Peer Bank can help turn the EBA transparency data into insights. With over 5 million data points for over 125 banks, it is a powerful tool designed to go beyond data.

[Watch here](#)

Further KPMG ECB Office Insights

Find all our latest insights [here](#) and practical expertise to help you dealing with the ECB supervisory approach under the Single Supervisory Mechanism (SSM).

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