

# P2G formation logic — **the four inputs** the JST actually weighs.

Pillar 2G is not a stress-test output. It is a six- to nine-month **conversation** between the JST, the ECB's horizontal functions and DG analysts. Three of the four inputs are entirely under bank control.

**~50%**

## STRESS-TEST DEPLETION

EBA-ECB biennial output — sets the ceiling, not the conclusion

**~25%**

## MANAGEMENT BODY ENGAGEMENT

Soft input banks systematically underweight

**~15%**

## ICAAP CREDIBILITY

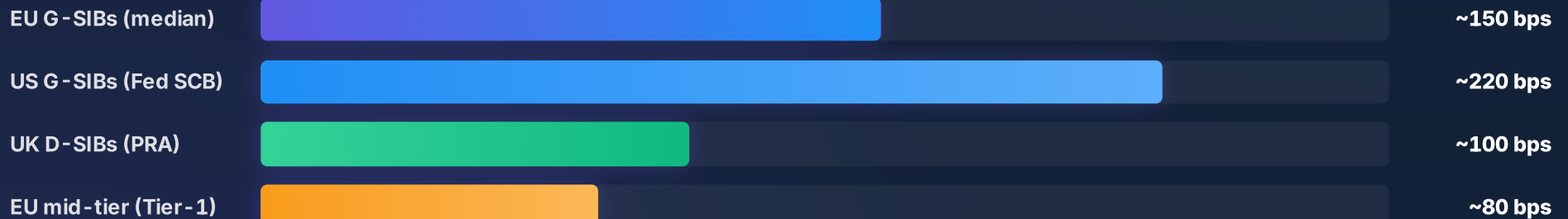
Severity calibration + reverse stress + capital plan

**~10%**

## ON-SITE FINDINGS

Residual P2G after qualitative overlays

### P2G band by jurisdiction · 2025 SREP cycle (bps, indicative)



**Ezelman read.** A bank that compresses Management Body engagement + ICAAP credibility through one cycle typically defends 15–25 bps of P2G release. The stress-test number is the ceiling. The conversation is where the ceiling becomes the answer.