European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0159

Banking Union – annual report 2025

European Parliament resolution of 30 April 2026 on Banking Union – annual report 2025 (2025/2136(INI))

The European Parliament,

– having regard to its resolution of 8 May 2025 on Banking Union – annual report 2024[1],

– having regard to the Commission's follow-up to Parliament's resolution of 8 May 2025 on Banking Union – annual report 2024,

– having regard to the document published by the European Central Bank (ECB) entitled 'Feedback on the European Parliament's resolution on Banking Union – annual report 2024',

– having regard to the ECB's 2024 Annual Report on supervisory activities, published on 28 April 2025,

– having regard to the 2024 Annual Report of the Single Resolution Board (SRB), published on 26 June 2025,

– having regard to the adoption of the Anti-Money Laundering Directive (AMLD)[2] and the Anti-Money Laundering Regulation

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1 Texts adopted, P10_TA(2025)0105.

2 Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (OJ L, 2024/1640, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1640/oj).

(AMLR)[3], and to the establishment of the Anti-Money Laundering Authority (AMLA)[4],

– having regard to the implementation of the Basel III standards, namely to the adoption of amendments to the Capital Requirements Directive[5] and to the Capital Requirements Regulation[6],

– having regard to the adoption of Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the date of application of the own funds requirements for market risk[7],

– having regard to its position at first reading of 24 April 2024 on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards early intervention measures, conditions for resolution and funding of resolution action[8],

– having regard to its position at first reading of 24 April 2024 on the proposal for a Directive of the European Parliament and of the Council amending Directive 2014/59/EU as regards early

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3 Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (OJ L, 2024/1624, 19.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1624/oj).

4 Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 (OJ L, 2024/1620, 19.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1620/oj).

5 Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (OJ L, 2024/1619, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1619/oj).

6 Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1623/oj).

7 OJ L, 2024/2795, 31.10.2024, ELI: http://data.europa.eu/eli/reg_del/2024/2795/oj.

8 OJ C, C/2025/3752, 17.9.2025, ELI: http://data.europa.eu/eli/C/2025/3752/oj.

intervention measures, conditions for resolution and financing of resolution action[9],

– having regard to its position at first reading of 24 April 2024 on the proposal for a Directive of the European Parliament and of the Council amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency[10],

– having regard to the report of its Committee on Economic and Monetary Affairs of 23 April 2024 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 to establish a European Deposit Insurance Scheme (EDIS),

– having regard to the Commission Communication ‘Savings and Investments Union – A Strategy to Foster Citizens’ Wealth and Economic Competitiveness in the EU’ (COM(2025)0124),

– having regard to Enrico Letta’s report of 10 April 2024 entitled ‘Much more than a market – Speed, security, solidarity: empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens’,

– having regard to Mario Draghi’s report of 9 September 2024 entitled ‘The future of European competitiveness’,

– having regard to the Eurogroup statement of 11 March 2024 on the future of Capital Markets Union, and to the Eurogroup statement of 16 June 2022 on the future of the Banking Union and the Eurogroup follow-up thereto of 28 April 2023,

– having regard to the Basel Committee on Banking Supervision’s publications entitled ‘Disclosure of cryptoasset exposures’ and ‘Cryptoasset standard amendments’, both published on 17 July 2024,

– having regard to the Basel Committee on Banking Supervision’s publication of 25 April 2024 entitled ‘Core Principles for effective banking supervision’,

– having regard to the ECB’s Financial Stability Review of 17 November 2025,

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9 OJ C, C/2025/3753, 17.9.2025, ELI: http://data.europa.eu/eli/C/2025/3753/oj.

10 OJ C, C/2025/3754, 17.9.2025, ELI: http://data.europa.eu/eli/C/2025/3754/oj.

– having regard to the Financial Stability Board publication of 9 November 2015 entitled ‘Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution’,

– having regard to the Financial Stability Board report of 10 October 2023 entitled ‘2023 Bank Failures – Preliminary lessons learnt for resolution’,

– having regard to the Single Supervisory Mechanism (SSM) supervisory priorities for 2025-2027,

– having regard to the SRB’s biannual reporting note to the Eurogroup of November 2025,

– having regard to the report of the Basel Committee on Banking Supervision of 10 July 2025 entitled ‘Banks interconnections with non-bank financial intermediaries’,

– having regard to the outcome of the 2025 EU-wide transparency exercise of the European Banking Authority of December 2025,

– having regard to Special Report 12/2023 of the European Court of Auditors of 12 May 2023 entitled ‘EU supervision of banks’ credit risk – The ECB stepped up its efforts but more is needed to increase assurance that credit risk is properly managed and covered’,

– having regard to the statements by Claudia Buch, Chair of the Supervisory Board of the ECB, at the hearings conducted by Parliament’s Committee on Economic and Monetary Affairs on 27 March 2025, 15 July 2025 and 5 November 2025,

– having regard to the statements by Dominique Laboureix, Chair of the SRB, at the hearings conducted by Parliament’s Committee on Economic and Monetary Affairs on 3 March 2025, 15 July 2025 and 5 November 2025,

– having regard to the European Banking Authority’s risk assessment reports of June 2025,

– having regard to its resolution of 14 March 2019 on gender balance in EU economic and monetary affairs nominations[11],

– having regard to its resolution of 25 March 2021 on strengthening the international role of the euro[12],

– having regard to Rule 55 of its Rules of Procedure,

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[11] OJ C 23, 21.1.2021, p. 105.
[12] OJ C 494, 8.12.2021, p. 118.

– having regard to the report of the Committee on Economic and Monetary Affairs (A10-0079/2026),

A. whereas the Banking Union aims to safeguard banking stability and thereby the financial system, avoid taxpayer-funded bailouts, strengthen resilience, enable orderly resolution, reduce market fragmentation, improve depositor protection, and enhance competitiveness, cross-border activity and access to finance, thereby reducing costs for banks' customers; whereas banks' services are important to citizens and businesses; whereas the EU's banking landscape and its various banking structures are diverse; whereas the 'too big to fail' risk has not been fully addressed;

B. whereas the Banking Union aims to ensure that banks are robust and able to withstand any future financial crises; whereas non-viable banks are resolved without recourse to taxpayers' money and with minimal impact on the real economy, and market fragmentation is reduced through harmonised financial sector rules;

C. whereas a strong and diversified banking sector is key to delivering economic growth, financing small and medium-sized enterprises (SMEs) and start-ups and ensuring the transition to a green and digital economy;

D. whereas the Banking Union, consisting of the SSM and the Single Resolution Mechanism (SRM), aligns supervision with crisis management, and ensures a high level of deposit protection, but remains incomplete without an EDIS;

E. whereas a completed Banking Union would be a positive development for citizens and the EU economy, providing the basis for a more stable banking system, reduction of systemic risk, enhanced competition, improved consumer choice, increased opportunities for cross-border banking and access to retail financial services, greater economic investment, better access to funding for households and businesses, and lower costs for banking customers;

F. whereas non-bank financial intermediaries (NBFIs, or 'shadow banks') remain outside the Banking Union architecture, thereby making the EU banking sector vulnerable to risks;

G. whereas financial stability is a prerequisite for effective monetary policy and a resilient financial system; whereas the EU has already agreed its implementation of the Basel III framework and should implement the Basel III standards while taking into account the competitiveness of the EU banking sector, as well as international developments;

H. whereas the Russian aggression against Ukraine and its economic and social consequences is having and will continue to have a direct and indirect impact on the EU banking sector; whereas EU banks play a pivotal role in ensuring the ongoing implementation of and compliance with the sanctions imposed by the EU against Russia in response to the invasion;

I. whereas one of the key objectives of the Banking Union is that taxpayers should not bear the cost of remedial action when a bank fails;

J. whereas climate change, environmental degradation and the transition to a low-carbon economy may pose risks to financial stability and are factors that may be taken into account in assessing the risks for banks;

K. whereas a digital euro would enhance EU payment efficiency, resilience, financial inclusion, innovation, public confidence and the euro’s international role;

L. whereas EU banks have posted record profits since 2022 thanks to delayed pass-through of monetary tightening policies; whereas several Member States have introduced temporary bank levies to ensure a fair contribution while safeguarding stability and social cohesion;

M. whereas in its Communication entitled the ‘Savings and Investments Union’ of March 2025, the Commission commits to taking ‘decisive steps to further develop the Banking Union, including by identifying a way forward on the European Deposit Insurance Scheme’, but has still not tabled any proposal related to the completion of the Banking Union since then;

N. whereas banks are a fundamental pillar of our economy and the banking sector is among the most strategically important sectors; whereas stability, resilience and competitiveness are fundamental to ensuring that the financial system can adapt to global challenges, foster innovation and effectively meet the needs of businesses and citizens;

O. whereas e-money tokens are increasingly being used and are becoming more closely interconnected with banks within the Banking Union;

General considerations

1. Welcomes the progress made with the SSM and SRM over the past decade; calls for a full and swift completion of the Banking Union, including continued work towards establishing its third Pillar, the EDIS, and measures to deepen market integration and facilitate the effective circulation of capital and liquidity within banking groups; stresses that the Banking Union must support a more inclusive, competitive and sustainable financial system aligned with social cohesion and the twin transition;

2. Calls on the Commission to prioritise the completion of the Banking Union and the Savings and Investments Union (SIU); highlights their importance for citizens, SMEs and the real economy by fostering resilience, sustainable prosperity, quality jobs and financial stability; underlines the fact that a more integrated Banking Union would support the growth and competitiveness of European banks; underlines the need for a strong and robust framework that is based on clear rules and obligations and that prevents bank runs, enhances financial stability and competitiveness, and strengthens the EU's banking sector; stresses that completing the Capital Markets Union alongside developing the Banking Union will help to deliver better conditions for the financing of the European economy, both for households and for companies that are still largely reliant on bank credit to foster investments and job creation, while also contributing to the resilience of the European economy;

3. Highlights the fact that the interest rates offered to households and SMEs across the Member States are highly disparate; encourages the Commission to consider measures to ensure better access to finance for all citizens and businesses, especially in the case of SMEs requiring much-needed capital at fair and competitive rates;

4. Emphasises the banking sector's role in financing the twin transition; highlights the simplification efforts under the EU's sustainable finance framework to ensure coherence, reduce duplication and align obligations across banking, disclosure and risk-management rules; draws attention to the European Insurance and Occupational Pensions Authority's recommendation to set higher capital requirements for stranded assets;

5. Regrets the remaining barriers to cross-border retail banking services; emphasises the potential for an integrated Banking Union to improve competition and consumer choice in the area of retail banking, including through improved opportunities for the provision of cross-border retail banking services;

6. Acknowledges the progress made on both the online and offline digital euro negotiations; welcomes the digital euro's potential to complement and preserve cash, while enhancing the EU's financial sovereignty and autonomy and contributing to financial inclusiveness; welcomes the finalisation of the Council's General Approach concerning the digital euro in December 2025 and regards it as essential that Parliament finalises its own position as soon as possible;

7. Considers the progress on gender balance in financial institutions, especially in management, to be limited; stresses that diverse leadership and better access to finance for women-led firms[13]

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[13] European Institute for Gender Equality, 'Gender in

enhance governance, innovation and economic performance; calls on financial institutions, stakeholders, the Commission and the Member States to adopt effective diversity strategies, monitor gender gaps and embed gender equality in supervisory and investment frameworks to ensure inclusive capital access across the EU; recalls that Parliament's position is to uphold and give precedence to gender-balanced shortlists for future candidates; stresses the importance of ensuring gender balance at all levels of management in the institutions and bodies of the EU that are responsible for the Banking Union;

8. Notes that following the increases in ECB interest rates the profitability and resilience of EU banks have significantly improved[14] and remained high in 2025; emphasises that this profitability and resilience can support essential investment in the EU economy and the funding of households and companies, in particular SMEs and start-ups, as well as young professionals; underlines the important role played by banks in supporting SMEs and local economies and calls on the Commission to ensure that any regulation remains risk-sensitive; emphasises that credit institutions receiving State aid must operate within prudent parameters on dividends, buy-backs and variable remuneration;

9. Stresses that the proper functioning and credibility of the Banking Union also depend on full respect for, and effective enforcement of, EU consumer protection law in the banking sector; highlights the fact that credit institutions must refrain from using unfair contractual terms and commercial practices, particularly in mortgage and retail lending; underlines the fact that consumers, including borrowers, must benefit from effective protection, legal certainty and access to effective redress; in this respect, calls on the Member States and competent authorities to ensure robust supervision and enforcement measures in cases of breach; further stresses the importance of ensuring adequate protection of primary residences, especially in the case of vulnerable households, taking into account the size of the residence and whether borrowers have already repaid a substantial part of their loan, such as 50 % of the initial loan;

10. Welcomes AMLA's role in strengthening the EU's fight against money laundering and terrorist financing; calls for consistent implementation, enhanced cooperation, information sharing and coordinated enforcement across the EU; stresses the need for efficient cooperation between AMLA and the European Supervisory Authorities and prudential authorities; highlights the need for AMLA

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entrepreneurship', 2017, pp. 5–6.

14 Maneely, M./Ratnovski, L., 'Bank Profits and Bank Taxes in the EU', IMF, July 2024.

to adhere to the principle of proportionality and coordination in its supervisory and regulatory work;

11. Underlines the fact that robust, proportionate, consistent and timely financial reporting is vital for supervision and stability; stresses the importance of legal certainty, predictability and stability for the banking sector, and that simplification must not weaken prudential, resilience, consumer protection or stability standards; highlights the need for further measures to promote digitalisation and simplification while maintaining those standards; calls for a balanced and more integrated approach, including a centralised data hub, built on standardised definitions, a common data dictionary and a shared request repository, so as to cut unnecessary complexity across authorities, reduce duplication and improve data quality, while preserving the robustness of the Banking Union framework;

12. Acknowledges the institutional and regulatory progress that has strengthened the resilience of euro area banks; notes that significant barriers to unlocking the full potential of the EU single market for financial services remain; calls for the Commission, the Member States and EU bodies to match ambitions with concrete steps to complete the SIU and the single market, boosting simplification and competitiveness; calls on the Commission to propose, in its 2026 report on the competitiveness of the EU banking sector, meaningful actions aimed at increasing the competitiveness of EU banks, while safeguarding banks’ essential role in financing the investments necessary to deliver the Union’s green and digital transitions;

13. Stresses that, given the ongoing geopolitical uncertainty, potentially overvalued stock markets and recent instances of turmoil in the United States following opaque lending in the non-bank (private credit) sector, supervisors should maintain a forward-looking perspective and sufficiently monitor risks, and that banks should maintain adequate capital buffers and be operationally resilient; highlights, in this regard, the need to improve supervision and resilience of non-bank financial intermediaries; highlights that prudent supervision today can protect taxpayers, depositors and the real economy from losses tomorrow;

Supervision

14. Notes that SSM banks’ aggregate Common Equity Tier 1 (CET1) ratio reached 16.12 % in the second quarter of 2025, with return on equity (ROE) at 10.11 %, while non-performing loans (NPLs) decreased to 2.22 % and stage 2 loans stood at 9.59 %[15]; emphasises the need to monitor credit risk while maintaining sufficient capital and liquidity for banking sector resilience; highlights the fact that

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15 ECB, ‘Supervisory Banking Statistics – Second quarter 2025’.

this progress on risk reduction measures has not been matched by commensurate progress on risk sharing;

15. Highlights adverse macroeconomic conditions and geopolitical headwinds, which might lead to a deterioration in asset quality;

16. Notes that banks are increasingly exposed to NBFIs, creating potential risks from liquidity to counterparty exposure, and calls for comprehensive European supervision of the NBFI sector; underlines the fact that international and EU bodies have repeatedly highlighted the risks from the non-banking sector, notably due to its increased interconnectedness with the traditional banking sector; supports system-wide stress tests to assess core market resilience; urges the Commission to examine gaps in the supervisory toolkit, including liquidity and systemic risks, and to propose measures to safeguard financial stability, where appropriate;

17. Welcomes the finalisation and implementation of the Basel III framework, which will strengthen resilience in the EU; notes that other jurisdictions have pursued a less ambitious implementation agenda; underlines the continued lack of clarity concerning the implementation of the Basel III standards in some other jurisdictions; recalls that the SSM has repeatedly stated that the implementation of the fundamental review of the trading book would strengthen the resilience of EU banks and not undermine their competitiveness; calls on the Commission to review equivalence decisions with jurisdictions not implementing those standards;

18. Takes note of an ECB publication[16] suggesting that high capital requirements do not hamper banks’ competitiveness, but rather ensure banks’ resilience and ability to finance the economy throughout the cycle;

19. Regrets the increasing number of bank branch closures, affecting vulnerable and peripheral communities; recalls citizens’ right to access basic financial services; underlines smaller banks’ role in access to services to households and small businesses; highlights the fact that the diversity of banking business models enhances the resilience of the financial system; acknowledges the importance of digitalisation and artificial intelligence in strengthening the effectiveness of the banking sector; notes with concern, however, that there have been AI-related job losses; calls on credit institutions to implement reskilling policies and ensure human oversight in automated decisions; stresses the need to safeguard job quality, fair conditions and equitable banking access;

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[16] Behn, M. & Reghezza, A., ‘Capital requirements: a pillar or a burden for bank competitiveness?’, *ECB Occasional Paper Series*, No. 376, Frankfurt 2025.

20. Acknowledges the specific risks posed by crypto-assets, while also acknowledging the opportunities they offer, such as euro-denominated stablecoins; calls for consistent innovation-friendly supervision to ensure that innovation serves the public; calls for the EU and the national authorities to monitor exposures, address risks and counter speculative behaviours, combat financial crime and protect consumers; underlines the importance of global standards in this field;

21. Calls on the Commission, the EBA and the national competent authorities within the Banking Union to ensure the strict, consistent and faithful implementation and enforcement of Markets in Crypto-Assets Regulation[17] as a necessary complement to the Union's bank-based financial stability framework;

22. Takes note of the uncertainties stemming from third-country multi-issuance stablecoins for EU banks; highlights the potential regulatory arbitrage between jurisdictions, which could lead to runs on EU banks and have spillover effects;

Resolution

23. Commends the crisis management and deposit insurance (CMDI) reform for providing coherent crisis management and deposit insurance, strengthening stability, protecting savings and taxpayers and ensuring better use of public money for resolution when in the public interest, within a clear regulatory framework; emphasises the need for flexibility for smaller and medium-sized banks and for the relevant authorities to be provided with effective tools, data and decision-making mechanisms to ensure a resilient and socially responsible Banking Union, and to enable them to respond effectively to bank failures and provide the necessary safeguards, supported by a regulatory framework that fosters banks' development and contributes to a resilient and financially stable Banking Union;

24. Welcomes the provisional agreement reached on 19 November 2025 between Parliament and the Council on the Directive harmonising certain aspects of insolvency law, as further alignment of insolvency laws and restructuring procedures could foster the completion of the Banking Union;

25. Stresses that, in the event of bank failures, shareholders, creditors or industry-funded mechanisms should be held accountable first, and public funds should only be used as a last resort, as reliance on

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[17] Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, OJ L 150, 9.6.2023, p. 40, ELI: http://data.europa.eu/eli/reg/2023/1114/oj.

taxpayer money for the resolution of banks must be avoided, in line with fiscal responsibility, social justice and market discipline; stresses the need for the continuous and effective supervision of compliance with prudential and resolution rules that ensure the credibility and effective execution of tools in the event of bank failures;

26. Recalls that a sufficient minimum requirement for own funds and eligible liabilities (MREL) is essential for a credible resolution framework and for providing authorities with the flexibility to apply appropriate resolution strategies in a crisis;

27. Recalls that banks must continue to provide essential services during resolution; stresses the need for a clear, predictable framework that protects depositors and supports smaller clients and businesses, including SMEs, in particular;

28. Welcomes the Single Resolution Fund as a fully mutualised, industry-funded safety net; reiterates the call for full ratification of the agreement amending the Treaty establishing the European Stability Mechanism to strengthen credibility, resolvability and euro area resilience; highlights the goal of taxpayer protection in the event of resolution and reiterates that beyond the agreed common backstop no additional taxpayer resources should be used for failing banks;

29. Recalls that the zero weight policy for public debt might pose a problem that needs to be addressed in line with international standards;

Deposit insurance

30. Reaffirms its strong commitment to the further development of an EDIS as the third pillar of the Banking Union; recalls that the EDIS proposal was presented in 2015; stresses that a common system of deposit protection is indispensable to ensure equal protection of depositors across the Union, to further strengthen financial stability and to significantly reduce the remaining links between banks and sovereigns; underlines that the contributions to an EDIS should take into account the risk profile of each participating sector; also underlines the importance of ensuring the full application of the current rules, thereby enabling EU banks to efficiently finance businesses across the EU and enhance competitiveness;

31. Welcomes the adoption of the CMDI package as a positive step that strengthens national deposit guarantee schemes, reinforces confidence in the banking sector and enhances the operational and legal conditions for gradually and credibly moving towards common EU protection for depositors and taxpayers; recalls the 2024 position of Parliament’s Committee on Economic and Monetary Affairs on the establishment of an EDIS; strongly urges the Council to advance

negotiations; calls on the new President of the Eurogroup to resume discussions on this topic as soon as possible;

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32. Instructs its President to forward this resolution to the Council, the Commission, the European Central Bank, the Single Resolution Board and the European Banking Authority.