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Single Resolution Board

SRB-GREEN

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Ms Aurore Lalucq
Chair of the Committee on Economic and Monetary Affairs
European Parliament
60, rue Wiertz
B-1047 Brussels

SRB response to the European Parliament's Banking Union Annual Report 2025

Honourable Chair, dear Ms Lalucq,

I am pleased to continue the tradition of sharing our reactions to the EP Annual Report on the Banking Union: an ECON report which we very much welcome at the SRB. Our comments focus on the steps toward the completion of the Banking Union, the strengthening of the overall resolution framework and the strive towards more competitiveness. We will publish this reply on our website as well.

I stay at your disposal for future exchanges.

Yours sincerely,

Qualified electronic signature by: DOMINIQUE MARCEL JEAN LABOUREIX
Date 2026-07-16 10:37:31 UTC

Dominique Laboureix
Chair

**Explanations and reactions to the European Parliament resolution on Banking Union –
Annual Report 2025 (2025/2136(INI))**

On 30 April 2026, in its Plenary Session, the European Parliament adopted its annual stock-take on the Banking Union for the past year ("the Report"), with recommendations and observations on the state of the Banking Union.

At the SRB, we warmly welcome the EP's continued support for the completion of the Banking Union and the strengthening of the resolution framework, which is aligned with our priorities in many aspects. After the important political agreement on the Review of the Crisis Management and Deposit Insurance (CMDI) we look forward to continue the excellent cooperation with the ECON Committee on the upcoming work on competitiveness and financial stability in the Banking Union. Hereafter, the SRB would like to provide various comments and replies to some of the issues raised in the Report.

Competitiveness of the Banking Sector

The SRB fully shares the Report's findings that a more integrated Banking Union would support the growth and competitiveness of European banks (paragraph 2) and is therefore following very closely the debate and the upcoming report by the European Commission on EU banking sector competitiveness. In April, the SRB replied to the Commission's public consultation: we hope our detailed replies ("Consultation Response") can provide a helpful perspective also for ECON Members and we stand available to discuss them with the Committee[1].

MREL, resolvability and reporting: Also in 2025, the banks under the SRB's remit made good progress regarding their resolvability. All entities which had to comply with their final MREL targets as of 1 January 2024 continue to meet their requirements and overall MREL shortfalls have decreased even further. More information can be found in the latest MREL dashboard[2]. The SRB agrees with the Report's statement that it is essential for a credible resolution framework to provide authorities with the flexibility to apply appropriate resolution strategies in a crisis (paragraph 26, Consultation Response 77). Equally, we support enhancing greater coherence across frameworks, slashing redundancies and streamlining MREL when necessary. In this respect, last December, the SRB has also published its stance on simplification in a dedicated report[3]. Whereas in our view there is room for simplification to make the framework simpler and more predictable, such measures should never come at the expense of resilience and financial stability (Consultation Response 75). Such simplification measures include a reduction in theburden of prior permission for MREL instruments (Consultation Response 78), further extending the effective simplified obligations methodology and proposals to

[1] https://www.srb.europa.eu/system/files/media/document/2026-04-15_SRB-Response_Consultation-on-Competitiveness-of-EU-Banking-Sector.pdf
[2] https://www.srb.europa.eu/system/files/media/document/2025-11-07_MREL-dashboard_H1-2025.pdf
[3] https://www.srb.europa.eu/system/files/media/document/The%20SRB%27s%20approach%20to%20simplification.pdf

reconsider the frequency of the resolution planning cycle. In line with the Report's request for reducing the reporting burden for banks (paragraph 11), the SRB is working towards streamlining reporting for banks in line with the new EBA technical standards on resolution planning reporting, which is enshrined in the 2026 SRB Resolution Reporting[4]. Moreover, the SRB is already implementing the new Better Data Sharing Regulation[5], while still working on an inventory of all data requests with the European Central Bank and the European Banking Authority to avoid duplications, to enhance data sharing and to optimize data usage.

SRF, common backstop, liquidity in resolution: the Single Resolution Fund (SRF) – as an industry-funded safety net – is key to protect taxpayers and support a credible crisis management framework. Since the initial target level of the SRF has been reached, ex-ante contributions will only be raised if they were required in order to meet the SRF's moving target of 1% covered deposits in the Banking Union.

The SRB fully supports the Report's call for a speedy ratification of the Amending Agreement to the European Stability Mechanism (ESM) Treaty and the establishment of a common backstop to the SRF, as it would indeed further increase credibility, resilience and minimise the risk of having to resort to taxpayers' money (paragraph 28). The SRB and the ESM have worked intensely and stand ready to implement the backstop.

The framework for providing further liquidity in resolution should be strengthened. The 2023 banks crises outside the EU showed clearly that the liquidity needs of a G-SIB or of multiple big banks could exceed the SRF's capacity (even with the ESM backstop). Resolution is there to ensure there is no moral hazard and the shareholders and bondholders of the failed bank will be the ones footing the bill, and that the bank will be made viable after resolution. Equally, any costs related to the provision of liquidity in resolution will be repaid by the banking sector, not by taxpayers, through the SRF. To ensure that needs can be met, with costs borne by the banking sector, we need a public backstop to provide temporary liquidity for banks in resolution (paragraph 25 of the Report, replies 42 and 43 of our Consultation Response).

Deposit protection: The SRB shares the Report's call for a more integrated European framework for deposit protection, which would help to complete the third pillar of the Banking Union (paragraph 30, Consultation Response replies 38 and 39). Such integrated protection system would be essential to enhance financial stability, overcome the sovereign-bank doom-loop and avoid financial fragmentation. Ultimately, a more European framework ensures that citizens enjoy the same economic protection for their deposits independently of where they are located.

We are mindful of the stalled negotiations on the 2015 European Deposit Insurance Scheme (EDIS) proposal, but also thankful of the work by ECON to advance on this dossier, and we emphasise the significant risk reduction and progress in the resolution framework over the last decade. As such, the SRB remains open to discuss new

[4] https://www.srb.europa.eu/en/content/2026-resolution-reporting
[5] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32025R2088

approaches, as long as they eventually lead to establishing an effective and more European system. Any changes to the interplay of resolution and deposit insurance should ensure that the SRB will be able to carry out its mandate and have sufficient firepower and flexibility to meet its mandate and the resolution objectives.

Less barriers to circulation of capital and liquidity: The SRB believes that the framework could be enhanced to provide further assurance that the parent, and the Group Level Resolution Authority, would support the subsidiary in case of distress or failure. Enhanced intra-group support arrangements could be introduced with robust enforceability and appropriate criteria. These arrangements could be associated with greater discretion to increase the efficiency for cross-border EU banking groups in business-as-usual on a case-by-case basis. This could in turn increase the flow of capital and liquidity where it is more needed in peace time, for lending and investment, while at the same time ensuring the existence of clear and enforceable ways to absorb potential losses (reply 34 of our Consultation Response).

CMDI: The SRB shares the overall positive assessment of the Report regarding the political agreement on CMDI (paragraph 23). We believe that the final text is a pragmatic step forward for the Banking Union. Without being a game changer, it strengthens our toolkit when it matters most; for example, it enhances the possibility of using DGSs – in lieu of bailing in uncovered deposits and when justified – for funding the sale (or bridge banks) of failing banks. In addition, it makes the framework clearer and more resilient by refining the creditor hierarchy (preferring depositors to creditors), clarifying the least-cost test (a simple cap based on the amount of covered deposits), and building on lessons from our first decade under the Single Resolution Mechanism. Nevertheless, at the same time the new rules added a degree of complexity to the framework, e.g. when assessing the conditions for using the DGS along with the SRF. The SRM has started working to implement those provisions of the SRMR, which have already become applicable and those that will apply only as of mid-2028.

The SRB hopes that the agreement on CMDI can pave the way to make swift progress also on other important dossiers such as the revision of State Aid rules, a more integrated European system for deposit insurance, an effective solution for liquidity in resolution, and measures to support market integration. The SRB would also underline that an efficient crisis management regime also depends on other elements of the financial and economic framework. From this perspective, the SRB strongly believes that further harmonisation of bank insolvency rules remains highly needed.

In conclusion, we thank the ECON Committee for its commitment to the Banking Union expressed in this 2025 Report, and we look forward to support ECON’s work on these measures in the coming months and years.