

Banking Union – annual report 2025

2025/2136(INI) - 30/04/2026 - Text adopted by Parliament, single reading

The European Parliament adopted by 376 votes to 187, with 17 abstentions, a resolution on banking union - annual report 2025.

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.

General considerations

While welcoming the progress made over the past decade with regard to the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM), Parliament called **for the Banking Union to be completed swiftly**, including by continuing work to establish the European Deposit Insurance Scheme (EDIS) as the third pillar, and by adopting measures to deepen market integration and facilitate the efficient flow of capital and liquidity within banking groups.

Parliament called on the Commission to give **priority to completing the banking union and the savings and investment union**, drawing attention to the need for a strong and resilient framework, based on clear rules and obligations, that prevents bank runs, improves financial stability and competitiveness and strengthens the Union's banking sector.

Stressing that **interest rates** offered to households and SMEs vary considerably from one Member State to another, Members encouraged the Commission to consider taking measures to ensure better access to finance for all citizens and businesses, particularly for SMEs that urgently need capital at reasonable and competitive rates.

Parliament took note of the progress made in the negotiations on **the digital euro**, both online and offline. It welcomed the Council's finalisation, in December 2025, of its general approach and considered it essential that Parliament adopt its position as soon as possible.

Members consider that progress on **gender balance** in financial institutions, particularly at the supervisory level, has been limited. They called on financial institutions, the Commission, and Member States to adopt effective diversity strategies, monitor gender inequalities, and integrate gender equality into supervisory and investment frameworks.

Parliament highlighted the important role played by banks in **supporting SMEs and local economies**. It called on the Commission to ensure that any regulations remain risk-sensitive and stressed that credit institutions receiving state aid must operate within prudent parameters on dividends, buy-backs and variable remuneration.

The resolution highlighted the need to take further measures that promote **digitalisation and simplification** while maintaining standards in prudential matters, resilience, consumer protection and stability.

Members noted that significant barriers to unlocking the full potential of the EU single market for financial services remain. They called on the Commission, the Member States and EU bodies to match ambitions with concrete steps to complete the Savings Investment Union (SIU) and the single market. They asked the Commission to propose concrete measures to enhance the competitiveness of EU banks

while preserving their essential role in financing the investments needed to achieve the EU's green and digital transitions.

Monitoring

Parliament stressed the need to **monitor credit risk** while maintaining sufficient capital and liquidity for banking sector resilience. Noting that banks are increasingly exposed to **non-bank financial intermediaries** (NBFIs), Parliament called for comprehensive European supervision of the NBFi sector and supported supports system-wide stress tests to assess core market resilience. In addition, it invited the Commission to examine gaps in the supervisory toolkit, including liquidity and systemic risks, and to propose measures to safeguard financial stability, where appropriate.

Parliament regretted the increasing number of **bank branch closures**, affecting vulnerable and peripheral communities, highlighting smaller banks' role in access to services to households and small businesses. Noting with concern that artificial intelligence has led to job losses, Parliament called on credit institutions to implement reskilling policies and ensure human oversight in automated decisions.

Given the specific risks posed by **crypto-assets**, Parliament urged the EU and the national authorities to monitor exposures, address risks and counter speculative behaviours, combat financial crime and protect consumers.

Resolution

Commending the crisis management and deposit insurance (CMDI) reform, Parliament emphasised the need for flexibility for smaller and medium-sized banks and to provide the relevant authorities to be provided with effective tools, data and decision-making mechanisms to ensure a resilient and socially responsible Banking Union.

Members stressed 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 taxpayer money for the resolution of banks must be avoided. Furthermore, 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.

Lastly, Parliament reaffirmed its strong commitment to the **further development of a European Deposit Insurance Scheme** (EDIS) as the third pillar of the Banking Union, recalling that the EDIS proposal was presented in 2015. It stressed 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.