Basic information

2024/2055(INI) INI - Own-initiative procedure	Procedure completed
Banking Union – annual report 2024 **Subject** 2.50.04 Banks and credit	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	SEEKATZ Ralf (EPP)	19/09/2024

Key events

Date	Event	Reference	Summary
10/10/2024	Committee referral announced in Parliament		
19/03/2025	Vote in committee		
26/03/2025	Committee report tabled for plenary	A10-0044/2025	Summary
07/05/2025	Debate in Parliament		
08/05/2025	Decision by Parliament	T10-0105/2025	Summary
08/05/2025	Results of vote in Parliament		

Technical information

Procedure reference	2024/2055(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/10/01090

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee draft report		PE765.133	07/11/2024	
Amendments tabled in committee		PE766.874	16/12/2024	
Committee report tabled for plenary, single reading		A10-0044/2025	26/03/2025	Summary
Text adopted by Parliament, single reading		T10-0105/2025	08/05/2025	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2025)08	07/08/2025	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	**Role**	**Committee**	**Date**	**Interest representatives**
FERNÁNDEZ Jonás	Shadow rapporteur	ECON	03/12/2024	Fédération bancaire française
FERNÁNDEZ Jonás	Shadow rapporteur	ECON	26/11/2024	Association des Banques et Banquiers, Luxembourg

Other Members

Transparency		
Name	**Date**	**Interest representatives**
GOMART Christophe	25/09/2024	Fédération bancaire française

Banking Union – annual report 2024

2024/2055(INI) - 08/05/2025 - Text adopted by Parliament, single reading

The European Parliament adopted by 345 votes to 135, with 62 abstentions, a resolution on the banking union - annual report 2024.

The objective of the Banking Union is to preserve the stability of the European banking sector and prevent the need to bail out failing banks with taxpayers' money. A strong and diversified banking sector is essential for economic growth, increasing home ownership opportunities, promoting investment and job creation, financing small and medium-sized enterprises (SMEs) and start-ups, and the transition to a green and digital economy.

General observations

While acknowledging the progress made over the past ten years through the establishment of the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM), Members stressed that the banking union will not be complete without the establishment of its third pillar, the European Deposit Insurance Scheme.

According to the resolution, completing the Banking Union would be a **positive step forward for EU citizens and the economy**, improving the competitiveness and stability of the banking sector, reducing systemic risk, improving supply and choice for consumers, and expanding cross-border banking opportunities, thereby facilitating access to finance for households and businesses. The Commission is called upon to ensure that completing the Banking Union and the Capital Markets Union remains a **key priority**.

The resolution stressed the need to ensure the stability of deposits and underlined that cyber resilience is a key element of the competitiveness of the Union's banking sector.

Members regretted that the ability of EU banks to finance major investments is limited by **lower profitability**, which is insufficient to ensure their competitiveness. They called for a review of the regulatory framework with a view to streamlining it and stressed the need to find **proportionate solutions** that take into account the specific nature of the EU banking system (which includes a large number of small banks), without undermining financial stability.

Deploring the fact that the cross-border activity of EU banks is still quite limited, particularly in terms of granting credit, Members believe that it is important to complete the banking union in order to defend the **free movement of capital** within a fully integrated single market.

The Commission is invited to:

- assess the need to develop targeted frameworks within the banking union to improve access to finance for **SMEs** and start-ups;

- further examine whether the creation of a **separate jurisdiction** for Union banks with significant cross-border operations could contribute to the completion of the banking union or whether it would intensify the fragmentation of the banking sector;

- focus on aspects that contribute to achieving the goals of **digitalisation**, modernisation, simplification, streamlining and increased competitiveness.

While noting the progress made by the ECB on the **digital euro**, Members recalled that the digital euro should complement, not replace, cash and that the decision on whether or not to introduce a digital euro is a political decision to be taken by the Union co-legislators.

Financial institutions are called on to regularly update their **diversity and inclusion policies** and private and public entities are invited to address the lack of diversity and gender balance in the management bodies of financial institutions.

Monitoring

Members welcomed the adoption of the banking package incorporating Basel III standards in the EU, while highlighting the current lack of clarity regarding the implementation of Basel III standards in some other jurisdictions and the potential risk for an international level playing field.

The resolution recalled that some Member States have levels of exposure to **non-performing loans** of around 1% or less, while others have levels above 4%. Efforts to reduce European banks' exposure to these types of loans should therefore continue.

Members noted that the banking sector plays a role in supporting the transition to a digital and carbon-neutral economy. They welcomed the idea of **increasing venture capital** and unlocking capital to finance fast-growing businesses in the Union. They also welcomed the establishment of the new Anti-Money Laundering and Countering the Financing of Terrorism Authority and stressed the need to strengthen the resilience of non-bank financial intermediaries, including by creating specific regulatory and supervisory instruments. Crypto assets also require special attention from national supervisory authorities, the SSM, and the European Systemic Risk Board.

Resolution

Members recalled that the position adopted by Parliament in April 2024 on the framework for banking crisis management and deposit insurance aims to ensure a more consistent approach across Member States to the application of resolution tools and deposit protection. The resolution stressed the importance of (i) a proportionate approach for smaller banks, (ii) preserving **shareholders' and creditors' primary responsibility** for bearing losses in the event of a bank's failure, and (iii) a sufficient minimum requirement for own funds and eligible liabilities (**MREL**) to ensure the credibility of the resolution framework. It underlined that resorting to using taxpayers' money must be avoided.

Deposit insurance

The resolution highlighted that the Commission's proposal for a European Deposit Insurance Scheme was published in 2015 and that the situation has evolved considerably since then. The position of its Committee on Economic and Monetary Affairs on a European Deposit Insurance Scheme was adopted in April 2024. This position deviates from the 2015 Commission proposal and adopts a new approach. Members encouraged the Council to **move forward with negotiations** on a European Deposit Insurance Scheme.

Banking Union – annual report 2024

2024/2055(INI) - 26/03/2025 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted an own-initiative report by Ralf SEEKATZ (EPP, DE) on the banking union - annual report 2024.

The Union is at a turning point that will determine its economic future over the coming decades. Reports published in 2024 by Enrico Letta and Mario Draghi emphasised that it must make a major turnaround to compete with the United States or China. In this context, the banking union is a cornerstone of competitiveness. A strengthened Banking Union will enable the EU to generate the necessary capital to make the European economy fit for the future.

General observations

While acknowledging the progress made over the past ten years through the establishment of the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM), Members stressed that the banking union will not be complete without the establishment of its third pillar, the European Deposit Insurance Scheme.

According to the report, completing the Banking Union would be a **positive step forward for EU citizens and the economy**, improving the competitiveness and stability of the banking sector, reducing systemic risk, improving supply and choice for consumers, and expanding cross-border banking opportunities, thereby facilitating access to finance for households and businesses. The Commission is called upon to ensure that completing the Banking Union and the Capital Markets Union remains a **key priority**.

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While noting the progress made by the ECB on the **digital euro**, Members recalled that the digital euro should complement, not replace, cash and that the decision on whether or not to introduce a digital euro is a political decision to be taken by the Union co-legislators, given the major impact that such a decision could have on a wide range of Union areas, including privacy and consumer protection.

Monitoring

Members welcomed the adoption of the banking package incorporating Basel III standards in the EU, while highlighting the current lack of clarity regarding the implementation of Basel III standards in some other jurisdictions and the potential risk for an international level playing field.

The report noted that some Member States have levels of exposure to **non-performing loans** of around 1% or less, while others have levels above 4%. Efforts to reduce European banks' exposure to these types of loans should therefore continue.

Members noted that the banking sector plays a role in supporting the transition to a digital and carbon-neutral economy. They welcomed the idea of **increasing venture capital** and unlocking capital to finance fast-growing businesses in the Union. They welcomed the establishment of the new Anti-Money Laundering and Countering the Financing of Terrorism Authority and stressed the need to strengthen the resilience of non-bank financial intermediaries, including by creating specific regulatory and supervisory instruments. Crypto assets also require special attention from national supervisory authorities, the SSM, and the European Systemic Risk Board.

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