A MORE COMPETITIVE BANKING SECTOR
for a stronger Europe

July 2026
#SIU

Banks play a vital role in the EU economy, supporting households, businesses, and SMEs. They provide 75% of corporate debt financing and act as key intermediaries between savers and companies in capital markets. But the single market for banking and the Banking Union are incomplete, weighing on our banks' competitiveness.

Why should Europeans care

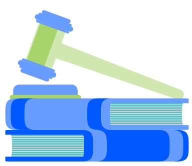
MORE COMPETITIVE BANKS COULD:

Better help finance EU priorities, such as the clean transition, innovation and defence

Offer better services and products, at competitive prices to EU households and businesses

What are the key challenges for banks' competitiveness?

EU banking markets are fragmented along national lines



Some EU banking rules are unduly **complex**

Implementation of **global standards** that leads to an uneven playing field

ENABLE

cross-border banking groups to manage liquidity and capital more efficiently

PROPOSE

a way forward on **common deposit insurance** to complete the Banking Union

The Commission will

PROMOTE

the diversity of the EU banking sector and implement global standards in a way to better reflect the EU banking system's specificities:

Greater proportionality for smaller banks within the EU regime

Properly balance resilience and the financing of the economy including by continuing to allow banks to measure their capital requirements through internal models

Looking at how much capital banks should hold against mortgages and loans to unrated companies

SIMPLIFY

the **EU banking regulatory framework**, while maintaining the resilience of the EU banking system:

More targeted and transparent bank-specific requirements and related supervisory guidance

Coordination mechanisms to ensure supervisors set prudential requirements in a more holistic way

Optimising micro, macro and resolution buffers

More simplified proportionate and automated supervisory reporting

Q1 2027

When will measures be proposed?

As no single measure will be sufficient on its own, the Commission will present a package of measures in the first quarter of 2027.