

## Press release

### **Banks welcome progress towards Banking Union but call for a clear European framework for bank resolution**

The Board of the European Banking Federation (EBF)<sup>i</sup>, meeting in Dublin today, 17 May, noted with satisfaction the steady progress towards a Single Supervisory Mechanism and reiterated its support for the objectives of the Banking Union.

The common resolution regime remains a key element to be finalised in the view of the EBF Board members. “It is crucial that the resolution regime is completed, fully harmonised, with no national discretions”, commented Christian Clausen, President of the EBF and Chief Executive of Nordea Group. “The scope of the bail-in instruments has to be clear, and proper cooperation agreements between regulators must be in place.” Board members insisted that banks’ current business models be respected in order not to distort competition by requiring any form of geographical ring-fencing. “A transparent and predictable framework is what banks and investors in general are looking for”, said Clausen, “and what is needed to ensure well-functioning markets without unnecessary costs.”

Board members remain convinced that the Banking Recovery and Resolution Directive is the first thing that needs to be implemented, before final steps are taken towards a common framework for the Single Resolution Mechanism and Authority. “Banks remain wary of further demands to contribute to any common funds, declared Clausen. The consequences of all pending measures must first be known and assessed and notable progress must have been achieved towards fiscal burden-sharing among Member States”.

EBF Board Members continue to show concern over the threats to a consistent and coherent regulatory platform and supervision in the internal market, which are put at risk by the local implementation of various initiatives with different scope and pace. Board members specifically pointed at the structural reform initiatives as a key example where it is crucial to get aligned with the international regulatory reform processes.

Europe’s banks reiterate their call on the regulators to produce and publish an assessment of the inter-linkages between the reform measures that are in place and still in the pipeline on the one hand, and the overall impact of all regulatory reform measures on the other, before further measures are taken.

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<sup>i</sup> EBF Board members are the Presidents of national Banking Associations from 31 countries, mostly CEOs of major European banks.

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