Banking Regulation and Competitiveness of the EU Banking sector

Response to the call for evidence on Competitiveness in the Single Market in Banking

Veblen Institute for Economic Affairs

March 11, 2026 (amended version, March 27, 2026)

Authors: Wojtek Kalinowski, Co-Director and head of the “Money & Finance” Program; Jézabel Couppey-Soubeyran, scientific advisor to the Institute and assistant professor in finance at Paris 1 Panthéon-Sorbonne University.

The Veblen Institute for Economic Reforms is a non-profit think tank based in France; promoting economic, financial and monetary policies supporting sustainability and the green transition. This response has been prepared as part of our “Money & Finance” program activities, supported by Charles-Léopold Mayer Foundation and European Climate Foundation.

The European Commission’s Call for Evidence frames the challenges facing the EU banking sector in terms of regulatory complexity, fragmentation, and burdens on competitiveness. Our response draws on recent academic and policy research and is structured in 8 sections, each treating a specific aspect of the problem:

- The state of financial stability risks
- Links between capital requirements and competitiveness
- Sources of complexity in finance and financial regulation
- A critical assessment of the ECB’s Buffer Simplification Proposal
- An alternative approach to simplification
- Relation between competitiveness of banks and the needs of the real economy
- Relation between bank competitiveness and sustainability objectives
- Financial risks linked to bank sector concentration

Executive Summary

In our response to the European Commission's Call for Evidence on Competitiveness in the Single Banking Market, we challenge the framing that regulatory complexity and capital requirements are the primary obstacles to EU banking competitiveness. Drawing on recent research, we argue that complexity stems from financial innovation and from internal models used by banks in order to reduce effective capital requirements. A misconceived simplification agenda risks weakening financial stability without delivering the economic benefits promised. We propose simplification that eliminates redundancies, reduces regulatory arbitrage while preserving — in some areas strengthening — the prudential architecture built since 2008.

Financial stability risks remain elevated. Recent assessments by the IMF (October 2025), the ECB/ESRB (January and February 2026), and others indicate that financial stability risks remain elevated despite improved headline capital ratios. Growing interconnections between banks and non-bank financial intermediaries, stretched asset valuations, and geoeconomic fragmentation all argue for maintaining, not relaxing, prudential buffers. The Commission's assertion that "banks are well capitalised" understates both the complexity of the current risk environment and the heterogeneity hidden behind the average capitalisation level (large banks remain significantly less capitalised than smaller ones, even though they should be more so given their exposure to systemic risks).

Capital requirements do not undermine competitiveness. Our literature overview finds no evidence that capital requirements are the primary drag on bank competitiveness or lending. Better-capitalised banks tend to lend more steadily through cycles, support higher return on assets, and prove more resilient in stress episodes. The SVB failure of 2023 illustrates what regulatory rollback can produce. We propose that the debate be grounded in this independent evidence rather than in industry self-assessments.

Complexity originates in financial "innovation," internal model discretion. Regulatory complexity has real costs, but its primary source is not excessive prudential ambition — it is the Internal Ratings-Based (IRB) approach, which allows large banks to use their own models to estimate capital requirements. This creates incentives for strategic underestimation of risk, undermines the level playing field, and generates the complexity that supervisors then struggle to manage. We propose that simplification efforts target this structural problem: replacing internal model discretion with transparent, standardised rules, rather than reducing overall capital levels.

The ECB's buffer simplification proposal is analytically flawed. The ECB's December 2025 proposal to merge the countercyclical capital buffer (CCyB) and the systemic risk buffer (SyRB) into a single releasable instrument conflates two analytically distinct tools addressing cyclical and structural vulnerabilities respectively. This merger would make the framework less legible and harder to activate. We propose that buffer reform preserve the CCyB/SyRB distinction and prioritise more proactive CCyB deployment rather than instrument consolidation.

An alternative: simplify by eliminating internal model complexity. Genuine simplification without deregulation is possible. Le Quang (2025) identifies real redundancies: the LCR and NSFR could be consolidated into a single NSFR-based liquidity requirement. More substantially, replacing the risk-weighted capital ratio — dependent on manipulable internal models — with a well-calibrated simple leverage ratio would reduce complexity, improve

transparency, and maintain loss-absorbing capacity. We propose these targeted reforms as a credible alternative to the deregulatory simplification currently on the table.

Bank competitiveness is not the same as economic competitiveness. We propose broadening the definition of "competitiveness" to encompass the banking system's capacity to finance long-term investment and the ecological transition, not only short-term returns.

Rolling back supervisory engagement with environmental risk is not financially neutral. We propose that the prudential framework's engagement with climate- and nature-related financial risks be maintained and strengthened.

Consolidation risks compounding systemic fragility. Conventional concentration metrics understate the true degree of concentration. We propose that any consolidation be subject to coordinated prudential and competition scrutiny with an explicit systemic risk assessment, and that structural questions about bank size and activity separation be reopened.

1. The state of financial stability risks

The Commission's Call for Evidence notes that "banks are well capitalised and hold significant capital and liquidity buffers." It is true that headline capital ratios have improved substantially since 2008. Over the past decade, the average CET1 ratio of European banks rose from 12.5% to 16.1%. However, this average capitalisation level masks strong heterogeneity by institution size. The improvement was less pronounced for large banks, whose capitalisation remains significantly below that of smaller banks. In 2024, large banks stand below the average at 15% (cf. EBA Risk Dashboard). It is small and medium-sized banks that raise the average capitalisation level.

Is it not risky to consider that European bank balance sheets are today "robust" in the current risk environment? Three major international financial stability assessments published in 2025–2026 — by the IMF, and by the ECB and ESRB jointly — suggest that this picture warrants careful qualification.

The IMF warns that **financial stability risks remain elevated despite a superficial appearance of market calm** (October 2025). Valuations in key asset markets have returned to stretched levels — well above fundamentals according to the IMF's own models — raising the risk of sharp corrections. Sovereign bond markets are under growing pressure from widening fiscal deficits, and stress tests reveal greater interconnectedness and maturity mismatches among banks and non-bank financial institutions (NBFIs) that could amplify shocks. The IMF is explicit that policymakers should advance internationally agreed prudential standards, singling out **Basel III completion as an immediate priority**. Its April 2025 report had already assessed that global financial stability risks had increased significantly amid elevated policy uncertainty, stretched asset valuations, and the growing leverage of hedge funds and asset managers — whose linkages with the banking system increase the risk of forced selling and financial contagion in conditions of stress.

A joint ECB/ESRB report of February 2026 on financial stability risks from bank–NBFI linkages reveals a **structural vulnerability that is growing**, not shrinking. NBFI entities — investment funds, money market funds, hedge funds, and other non-bank lenders — now fund approximately 15% of euro area bank balance sheets, much of it via short-term instruments

that can evaporate rapidly in market stress. Euro area banks are, in aggregate, net debtors to the NBFI sector. The scale of reverse repo lending to hedge funds has more than doubled over four years. The report identifies several amplification mechanisms: a systemic price shock generating simultaneous margin calls and redemption requests across NBFI entities could drain short-term bank funding markets, dry up repo liquidity, and trigger a broad-based funding crisis — precisely the kind of dynamic that well-capitalised banks are designed to withstand.

A companion ECB/ESRB report of January 2026 on financial stability risks from geoeconomic fragmentation adds a further dimension the Commission's framing ignores entirely. Heightened geopolitical tensions, trade frictions, and elevated policy uncertainty are shown to reduce bank lending, tighten market-based funding, and generate tail risks to real GDP growth of one to two percentage points. Banks with less capital headroom show the strongest adverse response to geopolitical shocks, curtailing both the probability and volume of new lending relationships. The ECB/ESRB's own risk-management analysis thus confirms what the efficiency literature shows: **adequately capitalised banks are more resilient intermediaries — not less competitive ones** — and their resilience is what sustains real economy lending precisely when it is most needed.

Taken together, these assessments suggest that the EU's financial system is navigating a period of elevated and multi-dimensional risk: stretched valuations, growing bank–NBFI interconnectedness, sovereign debt pressures, geopolitical fragmentation, climate-driven macrofinancial shocks, and the emerging but already measurable financial consequences of nature degradation. These findings should inform the Commission's assessment of where the balance of risks lies. Prudential requirements serve as shock absorbers; decisions about their calibration should weigh the evidence on current risk levels alongside the evidence on their economic costs.

The SVB failure of March 2023 offers a well-documented illustration of what certain simplification measures can produce in practice. As Scialom (2024) documents, **SVB had been exempted from enhanced Fed supervision following the 2018 decision** to raise the systemic threshold from $50bn to $250bn in assets — a measure presented at the time as a proportionality reform. The outcome was a bank failure requiring emergency public intervention. Similarly, as Couppey-Soubeyran and Nijdam (2024) note, European banks' resilience through the COVID-19 shock owed substantially to ECB liquidity support (€1,850 billion in PEPP alone), state-guaranteed loan programmes, and supervisory forbearance — alongside, rather than instead of, their post-2008 capital buffers. Public support mechanisms have remained an important part of the effective safety net, which makes the calibration of prudential requirements a question with significant implications for the distribution of risk between private shareholders and public finances.

The European Systemic Risk Board's simplification note (December 2025) acknowledged that the countercyclical capital buffer needs to be used "more flexibly and proactively," and that clarifying the macroprudential framework accordingly would actually increase, not decrease, ESRB resource needs. This is consistent with the analysis of Couppey-Soubeyran and Nijdam (2024) that the CCyB provided limited stabilising relief during the COVID-19 crisis because most national authorities had barely activated it. The macroprudential toolkit has been cautiously used; the case for further reducing its scope is therefore difficult to sustain.

2. Capital Requirements and Competitiveness: What Does the Evidence Show?

The banking industry has argued that regulatory complexity and capital requirements constrain lending, hamper competitiveness, and should be substantially reduced or restructured (EBF 2025). However, several central bank studies find no negative link between capital requirements and bank performance. For instance, an ECB Occasional Paper (Behn & Reghezza, 2025) uses supervisory data for euro area significant institutions directly supervised by the ECB from 2019 to 2024 and finds that capital requirements do not have a statistically significant effect on profit efficiency. The result holds across both microprudential and macroprudential components of capital requirements, and is robust to multiple specifications. Critically, the paper finds that current capital requirements are substantially below the CET1 threshold (around 18%) that would maximise efficiency — meaning there is room for banks to increase capitalisation without sacrificing competitiveness. The paper explicitly concludes that the **findings** "**do not support the view that capital regulation undermines bank competitiveness**."

Independently, a 2025 Bundesbank Discussion Paper (Buchholz, Loeffler & Sigel) reaches the same conclusion across a broader dataset of large banks in both the US and the European Economic Area from 2019 to 2024: there is no evidence that higher capital ratios or requirements negatively affect profitability. The paper does identify one nuanced finding: international differences in capital requirements can affect globally operating banks if foreign competitors face looser rules in their home jurisdiction. But we believe that the adequate response is regulatory convergence upward or protective measures against unlevel playing field, and not a unilateral race to the bottom.

The Bank of England's Financial Policy Committee (2025) similarly concluded in its assessment of bank capital requirements that well-capitalised banks were better able to support the economy through stress, and that the case for maintaining robust capital standards remains strong. A Banque de France study on the impact of Basel III constraints on the financing of the economy (Clerc, Lecarpentier & Pouvelle, March 2025) reaches the same conclusion that prudential ratios do not hinder credit growth.

A 2025 study commissioned by the European Parliament's ECON Committee on competitiveness and sustainability reaches similar conclusions, arguing that sustainability — including financial resilience — is a precondition for genuine long-term competitiveness, not an obstacle to it. Furthermore, the ECB paper finds an **inverted U-shaped** relationship between capital ratios and efficiency: for less-capitalised banks, higher equity ratios are associated with **improved** profit efficiency. This is consistent with the finding of Gambacorta & Shin (2018) that a 1 percentage point increase in ordinary equity as a share of total assets is associated with a 4 basis point fall in debt costs. These findings stand in contrast to industry projections: the Oliver Wyman/EBF study (2023) claimed that easing capital requirements could unlock €4 trillion of additional lending, but no independent regulatory study corroborates this estimate.

Incidentally, **in 2025 EU banks announced record capital returns alongside CRR3 implementation.** European banks have entered a period of exceptional profitability and shareholder returns, paradoxically coinciding with the progressive implementation of the most demanding capital and sustainability framework of the three jurisdictions. EU/EEA banks' aggregate CET1 ratio reached an all-time high of 16.3 percent in Q2 2025, with CET1

headroom above requirements expanding to nearly 500 basis points (EBA Risk Assessment Report, December 2025). European bank stocks gained over 20 percent year-to-date in 2025, making financial services the best-performing European equity sector. Dividend payouts for 2024 results totalled approximately €80 billion, with buybacks taking total capital returns to a record €120 billion (Bank of America Merrill Lynch estimate). Projections for 2025–26 distributions remain in the €110–120 billion range. (EBA 2025); (Reuters/MarketScreener 2024)

In light of this evidence, how should we understand the growing critique of capital requirements imposed on EU banks?

Finance Watch (2024) documents how pressure to revise the Basel III finalisation intensified as bank profitability rose following the post-2022 interest rate environment. The report observes that the banking industry shifted its framing from concerns about lending capacity to a claim that banks are "now safe enough" — a strategic repositioning that, as shown above, is not grounded in changes to the underlying risk evidence. The EBF's July 2025 "Simply Competitive" report is an instructive example of this framing: it calls explicitly for "elimination of overlaps" in Pillar 1 and Pillar 2 requirements, reduced MREL calibration, and a "bold review" of securitisation rules — proposals that, taken together, would significantly reduce effective loss-absorbing capacity. While the EBF claims not to advocate for deregulation, the question is whether its specific prudential proposals, if implemented, would in practice leave institutions less well buffered against the kinds of shocks documented in Section 1.

Finance Watch further highlights — drawing on the Basel Committee on Banking Supervision's own post-implementation studies (BCBS, 2022) — that banks with more robust capital ratios were more reliable lenders and less likely to cause economic harm through bank failures. These studies adjust for GDP, interest rates, and market volatility across the reform period 2011–2019. Their findings are empirically grounded in what actually happened, not in economic model projections that, as Finance Watch notes, can be calibrated to deliver a preferred conclusion.

Some academic studies, notably Fraisse, Lé & Thesmar (2019) using French credit registry data, have found short-term, transitional reductions in lending associated with increases in capital requirements. However, as the broader BCBS meta-analysis and ECB working papers confirm, these transitional effects dissipate as banks adjust their balance sheets — primarily by retaining earnings rather than cutting lending.

As Durand and Le Quang (2022) demonstrate empirically for a sample of European banks, higher equity ratios improve return on assets (a measure of productive efficiency for the real economy) even when they reduce return on equity (a private measure of shareholder value). The **cost of capital requirements is therefore largely a private cost borne by bank shareholders** and not but the real economy — most acutely by the shareholders of the largest, least-capitalised, most systemically important banks (Durand, Le Quang & Vialfont, 2024).

3. Where Does the Complexity Come From?

The Commission's Call for Evidence frames regulatory complexity primarily as an obstacle to competitiveness — something that has accumulated through successive reform cycles and

that now needs to be streamlined. This framing omits a key question, however: why did this complexity arise, and who benefits from it?

Andrew Haldane, in his celebrated speech “The Dog and the Frisbee” delivered at the Jackson Hole symposium in August 2012, offered a pointed diagnosis: “Modern finance is complex, perhaps too complex. Regulation of modern finance is complex, almost certainly too complex. That configuration spells trouble. As you do not fight fire with fire, **you do not fight complexity with complexity**. Because complexity generates uncertainty, not risk, it requires a regulatory response grounded in simplicity, not complexity.” Far from seeking to counteract this complexity, post-2008 financial regulation attempted to adapt to it — and compounded it through the introduction of increasingly sophisticated prudential rules. Yet complexity, as Couppey-Soubeyran (2015) argues, is simultaneously a vector of regulatory capture and a structural factor that undermines the effectiveness of the rules it supposedly implements.

The more complex the regulatory framework, the more legislators are obliged to consult banking sector representatives in order to draft workable rules, making them progressively more receptive to industry framing. Regulatory complexity cultivates what Carpenter and Moss (2014) call “**corrosive capture**”: not the crude, transactional kind, but the slow colonisation of regulatory thought by the categories, assumptions, and risk models of those being regulated. Regulatory sophistication directly shapes the staffing of supervisory agencies, providing a technical justification for recruiting experts drawn from the regulated sector — the revolving doors through which the culture of the regulated permeates the regulator.

Complexity also acts as a deterrent to democratic deliberation. When prudential rules become too technical for elected representatives, civil society, or informed citizens to scrutinise meaningfully, they exit the public sphere and become the exclusive domain of specialists — most of whom have institutional affiliations with the industry. The current competitiveness consultation is itself an example: without accessible independent analysis, the framing of the debate defaults to industry-generated narratives about regulatory burden and competitive disadvantage.

At the operational level, complexity creates distortions between institutions that undermine the level playing field it purports to support. Systemic banks have the resources to deploy teams of quantitative specialists in order to optimise their regulatory position — to reduce reported risk exposures, minimise capital requirements, and navigate the gaps between overlapping rules. Smaller banks, by contrast, face the administrative burden of complexity without the resources to exploit it. Large banking groups are, moreover, frequently the source of regulatory complexity: they advocate for sophisticated frameworks that favour internal model-based approaches over simple standardised rules, because model-based approaches allow them to compress their risk-weighted assets in ways that simple rules do not permit.

The use of **internal models** is a case in point. Under the Basel II framework, retained and extended under Basel III, large banks are permitted to use their own Internal Ratings-Based (IRB) models to estimate the key parameters that determine their risk-weighted assets (RWAs): the probability of default (PD), loss given default (LGD), and exposure at default (EAD) of their credit portfolios. Since capital requirements are expressed as a percentage of RWAs, a bank that can reduce its internally estimated risk weights mechanically reduces the capital it is required to hold — without changing the actual riskiness of that portfolio at all.

The empirical evidence that **banks exploit this discretion strategically** is substantial. Mariathasan and Merrouche (2014), in the foundational academic study of this phenomenon covering 115 banks from 21 OECD countries, found that risk-weight density — the ratio of RWAs to total assets — declines systematically once a bank obtains regulatory approval to use the IRB approach. Critically, this decline could not be explained by improved risk measurement or genuine portfolio de-risking alone: it was most pronounced among weakly capitalised banks and in jurisdictions with weak supervisory capacity.

More recent European evidence reinforces this finding. Studies using EBA data have found that IRB risk weights are on average roughly twice as low as standardised approach weights for equivalent portfolios — a disparity that is difficult to justify on purely risk-based grounds. Barucci and Milani (2018), examining 52 listed European banks across 14 countries, found that convergence in RWA densities following IRB adoption could not be explained by actual risk differences, and concluded that in higher-risk countries with less stringent supervision, IRB densities systematically understated banks' economic risk. Turk-Ariss (2017), in an IMF Working Paper, documented significant cross-country variation in IRB risk weights for equivalent credit portfolios across EU member states, finding that much of this variation reflects differences in modelling choices and supervisory tolerance rather than underlying portfolio risk.

The Basel Committee acknowledged the problem explicitly. Its 2016 consultative document on reducing RWA variability found "significant unwarranted variability" in risk-weighted assets calculated under IRB approaches and proposed a series of structural corrections: removing the IRB option entirely for certain asset classes (such as financial institution exposures) where model parameters cannot be reliably estimated; introducing input floors for PD and LGD to prevent extreme downward calibration; and constraining the scope of the advanced IRB approach. These constraints became the output floor and IRB restrictions embedded in the Basel III final standards of 2017 — the very provisions now under pressure in the US Basel III Endgame reproposal and the EU simplification debate.

The IRB system creates an inherent asymmetry: banks have every incentive to reduce their internal risk estimates, since lower estimates mean lower capital requirements and higher returns on equity. Supervisors, who must validate those models, face a nearly impossible information asymmetry — the models are proprietary, highly complex, and often understood only by the teams inside the bank that built them. This is precisely the configuration that Carpenter and Moss (2014) identified as fertile ground for corrosive capture: the regulator becomes technically dependent on the regulated entity to perform its own oversight function. The BoE FPC's December 2025 reassessment noted explicitly that the 7.5 percentage point fall in UK banks' average risk weights since 2016 cannot be fully attributed to genuine de-risking — and committed to a leverage ratio review as a model-independent check on whether risk-weight compression reflects reality or measurement artefact.

The **output floor, set at 72.5% of standardised approach capital** under the Basel III final standards, is the international community's most direct structural response to internal model manipulation: it limits the extent to which any bank's modelled RWAs can fall below what a simple, non-model-based standardised approach would generate. It limits but does not eliminate the advantage for large banks: internally modelled RWAs can still be 27.5% below the standardised measure. If there is to be any challenge, it should concern maintaining that advantage at a substantial level. The current questioning is moving in the opposite direction.

The fact that this floor is now being actively contested — in the US Basel III Endgame reproposal and, more quietly, in the EU simplification discourse — means that the single most important safeguard against IRB manipulation risks being swept aside entirely. Weakening or removing the output floor, under whatever banner of simplification or competitiveness, would restore the full scope for the model-based regulatory arbitrage that the post-2017 standards were designed to constrain.

4. A critical assessment of the ECB's Buffer Simplification Proposal

The ECB's December 2025 simplification package — endorsed by the Governing Council and submitted to the European Commission as Recommendation 1 of its High-Level Task Force on Simplification — proposes reducing the number of capital buffer layers from the current five or six to just two. The stated rationale is that the existing capital stack is opaque, creates uncertainty for market participants, and generates compliance burdens without a commensurate analytical benefit. The ECB is explicit in insisting that simplification must not mean lower overall capital levels.

Under the proposed new framework, existing buffers would collapse into two instruments. The new non-releasable buffer would result from merging the capital conservation buffer (CCoB) with whichever is higher of the G-SII (global systemically important institutions) buffer and the O-SII (other systemically important institutions) buffer. The new releasable buffer would result from merging the countercyclical capital buffer (CCyB) with the systemic risk buffer (SyRB). Non-binding Pillar 2 guidance would remain separate, placed on top of the releasable buffer.

The problem is not in the stated intention but in what the merger of the CCyB and the SyRB into a single releasable instrument would actually do to the logic of the macroprudential framework. The two instruments were designed to address two analytically distinct dimensions of systemic risk. The CCyB is a financial cycle-tool: it is built up during periods of excessive credit growth or financial exuberance and released in downturns, functioning as a cyclical shock absorber calibrated to the aggregate financial cycle. The SyRB, by contrast, is a structural tool: it targets persistent, non-cyclical sources of systemic risk specific to the structure of a given banking system — sectoral concentrations, geographic exposures, or institutional interdependencies that do not fluctuate with the credit cycle. Merging them into a single releasable buffer conflates a cyclical instrument with a structural one, eroding the analytical distinction that justified having both. If the merged buffer is released during a cyclical downturn — which is its intended function as the releasable element — it simultaneously reduces the structural protection the SyRB was designed to maintain regardless of the cycle. The architecture that distinguishes between "acting on the cycle" and "reducing structural systemic vulnerability" would be replaced by a single lever whose calibration must serve both purposes simultaneously.

The merger of the conservation buffer with the systemic importance buffer will also blur the distinction between the two necessities of preventing systemic risk over time (by tempering the financial cycle through the countercyclical buffer) and across actors (by subjecting systemic institutions to a surcharge). Macroprudential instruments could be criticised for being too modestly calibrated — the countercyclical buffer not exceeding +2.5% and surcharges for systemic banks never in practice exceeding +2.5% — but not for being poorly designed. This

merger risks dissolving the macroprudential apparatus whose consistency was already weak. In this regard, the justification of pointing out that the SyRB had not in any case been activated should rather raise questions about the insufficient recourse to macroprudential instruments that were nonetheless legitimately put in place.

This concern is compounded by the ESRB's own December 2025 finding — discussed in Section 1 of this note — that the CCyB has been used "too little and too late" by most national authorities. If the instrument that has historically been under-deployed is merged with a structural buffer and the combined pool is presented as the releasable element, its activation becomes more, not less, constrained. National supervisors who were reluctant to activate the CCyB will be even more reluctant when doing so also draws down a structural buffer. The ESRB's own recommendation — that the CCyB should be used "more flexibly and proactively" — is difficult to reconcile with a proposal that reduces the institutional clarity of the instrument whose activation is being encouraged.

The non-releasable buffer merger raises a parallel concern. Combining the capital conservation buffer with the G-SII or O-SII systemic surcharge — whichever is higher — in a single non-releasable instrument removes the analytical visibility of each component. The CCoB is a universal minimum applicable to all institutions; the G-SII and O-SII surcharges are institution-specific calibrations that reflect the contribution of individual banks to systemic risk. Merging them obscures the size-related systemic premium and reduces the transparency of the framework's response to systemic importance.

We do not suggest that the current capital stack is well designed. The ECB is right that the proliferation of overlapping layers, each calibrated through separate processes with limited coordination, generates both compliance burden and analytical confusion. But there is a difference between rationalisation that preserves the analytical functions of each instrument and merger that eliminates them. The approach we recommend is to clarify the mandate and calibration of each buffer — in particular, to implement the ESRB's recommendation for a more proactive and counter-cyclical use of the CCyB — without collapsing instruments whose distinct purposes serve distinct and complementary stability objectives. Simplification that dismantles the macroprudential architecture is not simplification in the sense that Haldane intended: it does not reduce complexity's costs by responding with simplicity, but by eliminating the institutional capacity that complexity, however imperfectly, was attempting to serve.

5. An alternative approach to simplification

Acknowledging that current banking regulation is genuinely complex does not require accepting the view that the solution is primarily a reduction in prudential requirements. Researchers including Le Quang (2025), Couppey-Soubeyran, and Laurence Scialom, as well as organisations such as Finance Watch, have articulated concrete paths to simplification that do not reduce stability buffers.

Le Quang (2025) identifies genuine redundancies in the current prudential framework. The two liquidity ratios introduced by Basel III — the short-term Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) — are theoretically equivalent when applied to a stylised bank balance sheet: if one is satisfied, the other necessarily is too. Their **co-existence**

introduces complexity without adding analytical content, a point also noted by Bolton et al. (2019). A single consolidated ratio built on the logic of the NSFR would be more transparent and no less protective, while also avoiding the Goodhart's Law distortions inherent in defining specific "high-quality liquid assets."

The coexistence of these two ratios rests, to be sure, on a distinction between market liquidity and funding liquidity that is not without interest. A liquidity problem can arise in two distinct ways: when a bank cannot sell its assets (market liquidity) or when it runs short of new resources (funding liquidity). However, market liquidity is not a natural given of assets — it is always contingent: an asset that is liquid at one point in time may cease to be so at other times, particularly when liquidity needs are most pressing. The definition of high-quality liquid assets in the LCR numerator has already been expanded to include assets (in 2013, the eligible range was extended to corporate bonds and equities) whose liquidity is not guaranteed for all time. The same applies, not entirely, to sovereign securities. What sense would it make, for example, to extend further the scope of eligible liquid assets in the LCR numerator — to synthetic ETFs? to tokenised assets? — as suggested by Michelle Bowman in March 2026? There is good reason to doubt that this would help manage liquidity risk.

If the LCR is used to require banks to hold certain assets rather than others (for example, sovereign securities in order to facilitate public financing), it would be better to confine it explicitly to that use and assign the NSFR to liquidity risk.

More substantially, as Anat Admati and Martin Hellwig have long proposed, the risk-weighted capital ratio — which allows large banks to use internal models to estimate their own risk exposures, creating serious scope for underestimation — could be replaced with a strengthened, simple leverage ratio based on ordinary equity. Barth and Miller (2018) showed that the benefits of a leverage ratio of at least 15% would outweigh the potential costs to the economy. This would simultaneously eliminate the complexity of internal risk models, replace the bail-in framework (TLAC and MREL) whose **activation has proved politically impossible in practice** (as the Monte dei Paschi di Siena case illustrates), and provide a transparent, genuinely loss-absorbing capital buffer.

At the very least, if the leverage ratio does not replace the risk-weighted ratio but continues to complement it, it should be raised significantly to better cap indebtedness and, jointly, to reduce regulatory arbitrage as much as possible, internal models should no longer be permitted for the calculation of RWAs in the weighted ratio and the standardised approach should be used instead.

Scialom (2022, 2024) and Couppey-Soubeyran & Dehmej (2017) further emphasize that genuine simplification also requires rethinking the macroprudential architecture. The countercyclical buffer was barely deployed before the COVID-19 crisis. Structural reforms, including activity separation to limit contagion between trading and commercial banking, remain largely unimplemented in the EU. The work of Carré et al. (2022) at the Institut Veblen demonstrates how the prudential framework could be redesigned to serve the ecological transition.

6. Competitiveness of Banks or of the real economy?

The Commission's framing equates banking sector competitiveness with EU economic competitiveness. The problem of the international competitiveness of European industry is real and worsening, but the link with banking competitiveness is not self-evident and deserves careful examination. Many of the most competitive economies in recent history have regulated their banks more like public utilities than profit-maximising institutions — **deliberately depressing bank profits in order to channel low-cost, long-term credit into the productive economy**.

Monnet (2018) documents how France produced thirty years of unprecedented economic growth and industrialisation in the postwar era by directing bank credit into the productive economy, a model replicated across Italy, Germany, the UK, the Netherlands, and Belgium. Similarly, Bezemer et al. (2023) provide a comprehensive review of credit guidance policies used across advanced and emerging economies from the end of World War II until the 1980s, showing that steering bank money creation toward manufacturing, exports, and housing construction provided the necessary conditions for sustained economic growth. Their central finding is that since the 1980s, the abandonment of these policies led to a damaging "**debt shift**" in which bank credit became primarily channelled into real estate and financial speculation, contributing to financial instability and lower growth.

Menand and Ricks (2024) argue that commercial banks should once again be regulated as public utilities in the United States, building on the model that prevailed between the Great Depression and the deregulations of the 1970s. Mikheeva and Ryan-Collins (2022) examine the industrialisations of Mexico, Canada, Norway, Japan, Korea, and China, arguing that strong banking regulations that channeled low-interest, long-term credit into priority sectors were central to their success — and that such policies remain applicable today.

The contemporary evidence from China is instructive. Duan, Ivanov & Werner (2025) document how the Chinese government has proactively guided bank credit into the sectors producing its extraordinary economic growth and rapid deployment of clean technology. China's banking sector, despite — or because of — being guided toward low-interest productive lending, has achieved annual growth rates double those of Western banks over the past thirty years.

It is by the yardstick of banks' contribution to the financing of the economy — rather than their profits and the returns delivered to shareholders — that banking competitiveness should be measured. It is in any case the only way to reconcile the competitiveness of banks with that of the economy. Yet the share of bank assets directly contributing to the financing of the real economy has atrophied over recent decades. Customer loans now account for barely one-third on average of the total assets of large European systemic banks, and these are largely oriented toward households rather than toward the financing of productive investment by firms. This is far less than on the balance sheet of a mutual community bank (Couppey-Soubeyran & Nijdam, 2024) or a German regional bank. Securities represent a larger share of a systemic bank's balance sheet (around 40% for BNP Paribas, for example), but their contribution to financing the economy is direct only when securities purchases take place on primary markets — whereas it is precisely on secondary markets that the bulk of securities transactions occur. To some extent, the depth of secondary markets contributes to the smooth functioning of primary markets, but there is every reason to think this relationship is not linear. Beyond a certain threshold, ever-larger secondary markets do not benefit primary markets. One need only observe the contrast in equity markets between the sluggishness of primary markets and

the hyperactivity of secondary markets. As a result, the large share of bank activity deployed on financial markets is undoubtedly the part that contributes least to the financing of the economy but most to bank profits — which is why it commands so much attention from the banking lobby.

In reality, when banks raise concerns about competitiveness or express fears of losing market share, this does not concern the credit market (except perhaps for very large syndicated lending operations) but the securities business — all the more so when those securities are under management, i.e. entrusted to asset managers. The asset management sector, highly concentrated and dominated by American players, does not help to better direct banks' securities investments toward European assets.

This is certainly a problem for the competitiveness of the economy and strategic autonomy if bank activity is not sufficiently oriented toward financing actors such as SMEs and mid-sized firms that are not calibrated for capital market financing and need bank credit.

7. Competitiveness vs Sustainability

Our last point concerns the relationship between sustainability and financial performance: a "competitiveness" agenda that rolls back supervisory engagement with environmental risk is not neutral from a financial stability standpoint. It leaves institutions holding exposures they cannot properly manage, and it forecloses the possibility of the active credit reallocation toward low-carbon investment that the transition requires. The NGFS's scenario work makes clear what the **financial cost of inaction** is. Its Phase V scenarios estimate cumulative GDP losses of up to 30% by 2100 under current policies — physical damages that dwarf the estimated cost of an orderly transition across all modelled scenarios. **The NGFS's November 2025 Declaration explicitly calls on supervisors to integrate climate and nature-related risks as they would any other financial risk.**

Scialom (2022) has developed the concept of "**prudential plasticity**" — the idea that supervisors should modulate refinancing conditions, capital charges, and collateral eligibility

The ESRB's own 2025 simplification note is instructive in this regard. Among the approximately 30 tasks the ESRB proposes to drop or downgrade is its consultative role on the prudential treatment of exposures related to environmental and social objectives (Article 501c(1) CRR). This is the area where, following ESRB advice in August 2023, the EBA had recommended enhancements to the Pillar 1 framework to better capture climate and social risks. Downgrading this involvement under the simplification agenda may reduce institutional friction, but it also reduces the capacity for macroprudential oversight to engage with climate-related financial stability risks — risks that are growing, not shrinking. The EBF's "Simply Competitive" report itself calls for future climate-related buffers to be introduced "only if proven effective and internationally coordinated"; this is a legitimate methodological standard, but one that should apply equally to any rollback of existing climate-risk monitoring capacity.

8. Bank concentration and systemic risk

The Commission's framing of banking sector competitiveness is oriented toward encouraging pan-European consolidation — the formation of larger cross-border banking groups capable

of matching the scale of American and Chinese competitors. This objective deserves scrutiny on two grounds that are largely absent from the current debate: its implications for financial stability, and a persistent measurement failure that has allowed policymakers to underestimate the degree of concentration that already exists.

Formally, bank size features among the criteria used to define systemic importance — the FSB has maintained its annual G-SIB list since 2011, and Basel II and III impose systemic capital surcharges on institutions it identifies. Yet size is rarely treated as a problem in its own right. Banking sector concentration, which has accompanied the emergence of these large groups as a structural corollary, attracts even less concern — despite generating costs on two distinct dimensions: higher prices for bank customers in less competitive markets, and elevated systemic risk as the failure of any single institution becomes more consequential for the system as a whole. The ECB has remained broadly favourable to further “consolidation” through pan-European mergers, treating scale as an asset rather than a vulnerability.

The measurement problem identified by Couppey-Soubeyran and Nicolas (2021) is more serious than it might appear. The conventional indicator of banking sector concentration — the share of total sector assets held by the five largest institutions — is typically constructed from unconsolidated data, which treats subsidiaries of the same group as independent market participants. In France, this approach classifies LCL as a competitor of Crédit Agricole, when both belong to the same group — systematically understating the effective market power of the group and therefore the true degree of sector concentration. When the authors reconstruct each major banking group’s national market footprint using consolidated data, the five largest groups in France are found to control approximately three-quarters of the domestic market, rather than the one-half suggested by conventional statistics. This is not a minor discrepancy: it implies that the authorities responsible for both prudential oversight and competition policy have been working from a systematically distorted picture of market structure.

The paradox is striking. On one hand, the systemic importance of large banking groups is formally acknowledged through the FSB list, the systemic surcharge, and the TLAC framework. On the other hand, the market power and concentrated structure that their size entails attracts little prudential attention. The two concerns — systemic importance and competitive concentration — are treated as separate domains, assigned respectively to prudential and competition authorities, with limited communication between them. Yet they are structurally inseparable: high concentration elevates systemic risk, and systemic importance confers the implicit public guarantee that enables further concentration by allowing large groups to borrow on short-term debt markets at below-market rates.

The Liikanen Report (October 2012) analysed this dynamic and identified the combination of implicit public backing, cheap short-term wholesale funding, and unconstrained balance sheet expansion as the mechanism through which large banking groups continuously increased their size and risk appetite before the crisis — without bearing the market cost of doing so, and while progressively reducing the share of their balance sheets dedicated to productive lending to the real economy. Their size then made crisis management substantially harder: the public commitment to rescue systemically important institutions, while necessary to prevent cascading failures, triggered a vicious sovereign-bank feedback loop that required the Banking Union agreement of 2012 to address. The Banking Union remains incomplete, however, and the banking stress episodes of spring 2023 and the difficulties involving Italian banks in 2017 raise legitimate questions about whether the resolution framework can function as designed

for genuinely systemic institutions. The risk of a repeated recourse to large-scale public bail-outs in any future episode of systemic stress is difficult to dismiss.

What is notably absent from the post-2008 reform architecture — and from the current competitiveness agenda — is any direct engagement with the structural drivers of systemic importance. The measures taken since 2011 have improved the identification of systemic institutions and raised their loss-absorbing capacity; they have not sought to limit size, constrain market power, or reduce concentration. Macroprudential policy, which defines itself as a set of instruments for preventing systemic risk, currently operates through tools that adjust to the systemic importance of institutions or to the financial cycle — but that leave the structural conditions generating that systemic importance entirely unaddressed. Activity separation measures, which would have placed a structural limit on the most dangerous combinations of banking business, were largely shelved after the Liikanen proposals failed to translate into binding EU legislation. The result is a framework that accepts the existence of institutions whose failure would require public intervention, provides them with capital buffers to reduce that probability, and makes no attempt to reduce the scale of the problem itself.

Encouraging further consolidation in this context — promoting pan-European mergers as a response to the competitive challenge from US and Chinese banks — **risks compounding a systemic risk that is already inadequately measured and insufficiently constrained**. The appropriate response to a competitiveness gap driven by scale is not necessarily to replicate the scale of the largest and most systemically dangerous institutions, but to examine whether alternative models of banking organisation, combined with structural reforms that limit concentration and improve credit allocation, could serve the European economy more

Conclusion and recommendations

The evidence reviewed does not support the view that capital requirements are the primary drag on EU banking competitiveness. It does support the view that financial stability risks are currently elevated, that **macroprudential tools have been used less actively than the framework permits**, and that preventing future climate and nature-related risks requires more prudential engagement, not less. Relaxing prudential safeguards to pursue narrow short-term metrics of banking “competitiveness” would leave Europe exposed to new risks in a very instable geopolitical time. We thus invite the Commission to:

- Pursue regulatory simplification where it demonstrably eliminates redundancy and regulatory arbitrage without weakening prudential regulations (for example, consolidating the LCR and NSFR, and replacing the risk-weighted capital ratio with a strengthened leverage ratio; or, if it is considered preferable to let the two capital ratios coexist, adopting a standard, homogeneous and non-arbitrageable measure of RWAs);
- Ensure that the Basel III finalisation is implemented as agreed, and that any review of capital requirements on securitised assets is grounded in independent stability assessments;
- Ground the competitiveness debate in independent empirical evidence — including ECB OP No. 376, the Bundesbank DP No. 31/2025, the BoE FPC (2025), and BCBS post-implementation studies — alongside industry analyses;

- Broaden the definition of “competitiveness” to include the banking sector’s capacity to finance the EUs strategic objectives such as decarbonization, not only short-term profitability and market share metrics;
- Maintain and strengthen the prudential framework’s engagement with climate- and nature-related financial risk, including through capital charges, collateral rules, and supervisory expectations sensitive to stranded-asset and biodiversity exposure; in particular, resist the downgrading of the ESRB’s consultative role on the prudential treatment of environmental exposures (Article 501c(1) CRR).
- Reform the capital buffers in ways that preserve the analytical distinction between cyclical and structural instruments: any merger of the CCyB and the SyRB into a single releasable buffer risks simultaneously unwinding both shock-absorption functions. The more productive path is to implement the ESRB’s own recommendation — that the CCyB be used more flexibly and proactively — rather than collapsing the instrument whose under-deployment it diagnoses.
- Ensure that any further pan-European banking consolidation is subject to coordinated prudential and competition scrutiny, with an explicit assessment of its systemic risk implications. **Concentration in the EU banking sector is already understated by conventional metrics**; encouraging further mergers without addressing the structural drivers of systemic importance risks compounding a fragility that the post-2008 reform architecture has contained but not resolved.

List of abbreviations

BCBS — Basel Committee on Banking Supervision

CCyB — Countercyclical Capital Buffer

CCoB — Capital Conservation Buffer

CET1 — Common Equity Tier 1 (capital)

CETEx — Centre for Economy, Environment and Technology (LSE)

COVID-19 — Coronavirus Disease 2019

CRR — Capital Requirements Regulation (EU)

EAD — Exposure at Default

EBA — European Banking Authority

EBF — European Banking Federation

EC — European Commission

ECB — European Central Bank

ECON — Committee on Economic and Monetary Affairs (European Parliament)

ESRB — European Systemic Risk Board

FPC — Financial Policy Committee (Bank of England)

FSB — Financial Stability Board

G-SIB — Global Systemically Important Bank

G-SII — Global Systemically Important Institution

GDP — Gross Domestic Product

IMF — International Monetary Fund

IRB — Internal Ratings-Based (approach)

LCR — Liquidity Coverage Ratio

LGD — Loss Given Default

LSE — London School of Economics and Political Science

MREL — Minimum Requirement for Own Funds and Eligible Liabilities

NBFI — Non-Bank Financial Intermediary / Intermediation

NGFS — Network for Greening the Financial System

NSFR — Net Stable Funding Ratio

O-SII — Other Systemically Important Institution

OECD — Organisation for Economic Co-operation and Development

PD — Probability of Default

PEPP — Pandemic Emergency Purchase Programme (ECB)

ROA — Return on Assets

ROE — Return on Equity

RWA — Risk-Weighted Asset(s)

SREP — Supervisory Review and Evaluation Process

SVB — Silicon Valley Bank

SyRB — Systemic Risk Buffer

TLAC — Total Loss-Absorbing Capacity

References

Admati, A., DeMarzo, P., Hellwig, M. & Pfleiderer, P. (2014). Bankers New Clothes, Princeton University Press.

Barth, J.R. & Miller, S.M. (2018). Yes, the Benefits of a Higher Leverage Ratio Can Exceed the Costs. Mercatus on Policy, Mercatus Center, April 2018.

Basel Committee on Banking Supervision (2010). An assessment of the long-term economic impact of stronger capital and liquidity requirements. BIS, August 2010.

Basel Committee on Banking Supervision (2016). Reducing variation in credit risk-weighted assets – constraints on the use of internal model approaches. Consultative Document, BIS, March 2016.

Basel Committee on Banking Supervision (2022). Evaluation of the impact and efficacy of the Basel III reforms. BIS.

Barucci, E. & Milani, C. (2018). Do European banks manipulate risk weights? International Review of Financial Analysis, 59, 47–60.

Behn, M. & Reghezza, A. (2025). Capital requirements: a pillar or a burden for bank competitiveness? ECB Occasional Paper Series, No. 376, European Central Bank.

Bezemer, D., Ryan-Collins, J., van Lerven, F. & Zhang, L. (2023). Credit Policy and the 'Debt Shift' in Advanced Economies. Socio-Economic Review.

Bolton, P. et al. (2019). Sound at last? Assessing a decade of financial regulation. CEPR Press.

Buchholz, M., Loeffler, A. & Sigel, P. (2025). Do capital requirements and their international differences affect banks' profitability? Deutsche Bundesbank Discussion Paper No. 31/2025.

Carpenter, D. & Moss, D.A. (eds.) (2014). Preventing Regulatory Capture: Special Interest Influence and How to Limit It. Cambridge University Press.

Carré, E., Couppey-Soubeyran, J., Fontan, C., Monnin, P., Plihon, D. & Vincent, M. (2022). Mettre la réglementation bancaire au service de la transition écologique. Institut Veblen.

Clerc, L., Lecarpentier, S. & Pouvelle, C. (2025). Contraintes jointes de Bâle 3 : interactions et implications pour le financement de l'économie. *Banque de France*, March 2025.

Couaillier, C. et al. (2022). How to release capital requirements during a pandemic? ECB Working Paper No. 2720, European Central Bank.

Couppey-Soubeyran, J. (2015). Blablabanque. Le discours de l'inaction. Michalon.

Couppey-Soubeyran, J. & Dehmej, S. (2017). The role of macroprudential policy in the prevention and correction of divergences within the euro area. Report for the European Parliament (Directorate-General for Internal Policies & Economic Governance Support Unit). Available at: http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL_STU%282017%29602073

Couppey-Soubeyran, J. & Nicolas, T. (2021). La concentration du secteur bancaire européen : un problème dont la mesure reste à prendre. Revue d'économie financière, 142(2).

Couppey-Soubeyran, J. & Nijdam, C. (2024). Parlons banque en 30 questions (3ème édition). La Documentation française.

Couppey-Soubeyran, J. & Renault, T. (2018). 10 ans après la faillite de Lehman Brothers, le risque systémique a-t-il baissé ? La Lettre du CEPII, n°391, septembre 2018.

Couppey-Soubeyran, J., Perego, E. & Tripier, F. (2020). Les banques européennes à l'épreuve de la crise du Covid-19. Policy Brief CEPII, mai 2020.

Couppey-Soubeyran, J. (2025–2026). Un grand vent de dérégulation économique et financière. Unpublished section prepared for the Vigie report, Futuribles.

Diamond, D.W. & Dybvig, P.H. (1983). Bank runs, deposit insurance, and liquidity. Journal of Political Economy, 91(3), 401–419.

Draghi, M. (2024). The Future of European Competitiveness. Report to the European Commission, September 2024.

Duan, K., Ivanov, P. & Werner, R. (2025). Deciphering the Chinese Economic Miracle. Review of Political Economy, 37(1), 202–226.

Durand, P. & Le Quang, G. (2022). Equity ratio and bank performance. Working paper, EconomiX, Université Paris Nanterre.

Durand, P., Le Quang, G. & Vialfont, A. (2024). Capital requirements and bank default risk. Working paper.

ECB Banking Supervision (2023). SREP results 2023 and supervisory priorities 2024–2026. European Central Bank, December 2023.

ECB High-Level Task Force on Simplification (2025). Simplification of the European prudential regulatory, supervisory and reporting framework. ECB Governing Council, December 2025.

ECB/ESRB (2026a). Financial stability risks from geoeconomic fragmentation. Joint ECB/ESRB report, January 2026.

ECB/ESRB (2026b). Financial stability risks from linkages between banks and the non-bank financial intermediation sector. Joint ECB/ESRB report, February 2026.

Epstein, G. & Montecino, J.A. (2016). Overcharged: The High Cost of High Finance. Roosevelt Institute.

European Banking Federation (2025). Simply Competitive: EBF Proposals for a Simplified European Framework. EBF, July 2025.

European Commission (2026). Call for Evidence: Commission Communication on Competitiveness in the Single Banking Market. Ref. Ares(2026)1598998, 12/02/2026.

European Parliament, ECON Committee (2025). Competitiveness: What Makes a Truly Competitive Financial Sector? Sustainability as a Precondition for Competitiveness. Study PE 764.188.

European Systemic Risk Board (2025). Simplification of ESRB tasks through legislative amendments. ESRB letter to the European Commission, December 2025.

Finance Watch (2014). A Missed Opportunity to Revive “Boring” Finance? Position paper on long-term financing, securitisation and securities financing.

Finance Watch (2023). Bank capital is good for the economy. Finance Watch policy blog.

Finance Watch (2024). Lost Momentum: Evolution and Challenges of Basel III. Report.

Financial Stability Board (2024). Global Monitoring Report on Non-Bank Financial Intermediation.

Fraisse, H., Lé, M. & Thesmar, D. (2019). The real effects of bank capital requirements. Management Science, 65(1), 6–22.

Gambacorta, L. & Shin, H.S. (2018). Why bank capital matters for monetary policy. Journal of Financial Intermediation, 35, 17–29.

Goumet, L., Menegat, M., Almeida, E., Waaifoort, M. & Smoleńska, A. (2026). EU banks and nature-related risk management: from awareness to action. CETEx/LSE Report, March 2026.

Gouverneur de la Banque de France (2025). La vague de dérégulation américaine est dangereuse. Alternatives économiques, février 2025.

Hakenes, H. & Schnabel, I. (2014). Regulatory capture by sophistication. Working paper.

Haldane, A.G. (2012). The Dog and the Frisbee. Speech delivered at the Federal Reserve Bank of Kansas City’s 36th Economic Policy Symposium, Jackson Hole, Wyoming, 31 August 2012.

Hirschman, A.O. (1991). Deux siècles de rhétorique réactionnaire. Fayard. [Original: The Rhetoric of Reaction: Perversity, Futility, Jeopardy. Harvard University Press, 1991.]

International Monetary Fund (2025a). Global Financial Stability Report, April 2025: Enhancing Resilience amid Uncertainty. IMF, Washington DC.

International Monetary Fund (2025b). Global Financial Stability Report, October 2025: Shifting Ground beneath the Calm. IMF, Washington DC.

Turk-Ariss, R. (2017). Heterogeneity of bank risk weights in the EU: evidence, determinants, and implications. IMF Working Paper WP/17/137, International Monetary Fund.

Koont, N., Santos, T. & Zingales, L. (2023). Destabilizing Digital “Bank Walks.” Blog Promarket, 4 avril 2023.

Le Quang, G. (2025). Quelle régulation face à la complexité financière ? L’Économie politique, n°105, février-mars-avril 2025, pp. 99–113.

Liikanen, E. et al. (2012). High-level Expert Group on Reforming the Structure of the EU Banking Sector. Final Report, European Commission, October 2012.

Mariathasan, M. & Merrouche, O. (2014). The manipulation of Basel risk-weights. Journal of Financial Intermediation, 23(3), 300–321.

Menand, L. & Ricks, M. (2024). Rebuilding Banking Law: Banks as Public Utilities. Yale Journal on Regulation, 41, 591.

Mikheeva, O. & Ryan-Collins, J. (2022). Governing Finance to Support the Net-Zero Transition: Lessons from Successful Industrialisations.

Monnin, P. (2021). Systemic risk buffers: the missing piece in the prudential response to climate risks. Council on Economic Policies.

Monnet, E. (2018). Controlling Credit: Central Banking and the Planned Economy in Postwar France, 1948–1973. Cambridge University Press.

Network for Greening the Financial System (2024). NGFS Climate Scenarios Phase V. NGFS, November 2024.

Network for Greening the Financial System (2025a). NGFS Short-term Climate Scenarios for Central Banks and Supervisors. NGFS, May 2025.

Network for Greening the Financial System (2025b). NGFS Declaration on the Economic Cost of Climate Inaction. NGFS Statement, 5 November 2025.

Oliver Wyman / European Banking Federation (2023). Strengthening the EU banking sector’s competitiveness. EBF/Oliver Wyman report.

Ossandon Busch, M., Sarmiento, M., D'Orazio, P. & Karlström, P. (2026). Pricing nature across borders: global banks' response to nature-linked financial policies. CETEx Discussion Paper Series: Land and Ocean, Paper 8, February 2026.

Scialom, L. (2022). Les banques centrales au défi de la transition écologique — Éloge de la plasticité. Revue économique, 73(2), 219–242.

Scialom, L. (2024). L'implication des banques dans l'élaboration et la mise en oeuvre de la réglementation bancaire. In Le droit économique de l'environnement : Acteurs et Méthodes. Mare & Martin.

Bank of England, Financial Policy Committee (2025). Financial Stability in Focus: The FPC's assessment of bank capital requirements.