Addressed to:
Mr António Costa, President of the European Council
Ms Ursula von der Leyen, President of the European Commission
Ms Roberta Metsola, President of the European Parliament
Ms Christine Lagarde, President of the European Central Bank

Brussels, 10 September 2026

Dear President,

Now is the time for Europe to reshape its future.

Slow growth, an unstable geopolitical order, wildfires across the continent, the lowest gas reserves for 14 years, and the race to rebuild defence capacity and compete in critical technologies: these challenges are converging, and Europe cannot meet them without urgent and structural action to strengthen its economy.

The next six months, starting with next week's State of the Union speech, must deliver change to substantially lift Europe's growth trajectory and reinforce economic security. This includes reforms across energy, defence and digital regulations. But change can only happen with simultaneous action to remove barriers to private finance and investment. The savings are there. Europe has the capital to invest in its future, and its banks can channel it into productive investment starting tomorrow.

Earlier this year, as the CEOs of Europe's largest banks, we shared our vision for navigating an increasingly risky and uncertain world. This can be the turning point. But transforming intent into results and much-needed growth – building the factories, funding the research, laying the energy, defence and digital infrastructure Europe needs – depends on a banking system that can deliver at greater scale.

The scale required makes this urgent. Mario Draghi put the EU's strategic investment need at €1.2 trillion a year. Without this, Europe will fall further behind the US and China in productivity, technology and economic growth. Banks finance 75% of that activity today; deeper capital markets will help, and progress on the Savings and Investment Union will lay stronger foundations. But developing capital markets takes time. Europe's investment needs require a 5% year-on-year increase in bank lending to the private sector – more than double the pre-pandemic rate.

Only a banking system with greater lending capacity can move at the speed Europe needs. Many SMEs in European supply chains will require substantial bank finance to scale up. We must create a framework which supports this increasing demand for finance.

Two things must happen. First, with loss-absorbing capacity of EU banks at historic highs – €2.5 trillion and counting – stop the tide of ever-increasing capital requirements. As a starting point, we call for an immediate, temporary moratorium on further increases – regulatory and supervisory – until longer-term reforms are in place, so banks can put their capital generation to work financing Europe rather than holding it back.

Second, make simplification the standing objective, not a one-off fix. Europe needs a relentless focus on what actually protects stability, and the discipline to strip away what does not, embedded at every level of the European and national systems. Supervisors should have secondary obligations to consider competitiveness and growth: the deep-seated culture of knee-jerk risk aversion at all costs must be challenged. Fragmentation in the European single market should be addressed by definitively removing locally imposed barriers that hamper scale and integration. EU firms must be able to grow and compete globally on equal terms.

The Commission's recent Communication on bank competitiveness is welcome, but we must go further and faster. We call on the Commission to bring forward two separate packages, a simplification package and an integration package by the beginning of 2027. This should allow Europe to deliver key funding flexibility in the short term while taking the time needed to discuss proper integration areas, and it would allow the Council and Parliament to complete the reforms in the second half of 2027.

Our banking system is now far more stable and resilient to shocks: all recent stress tests across Europe confirm the system is solid. We don't want to weaken the safeguards underpinning financial stability. We want to finish strengthening the banking and capital markets systems across Europe, including Switzerland and the UK. Together, they form an important, interconnected financial markets ecosystem that should be nurtured further. The EU, UK and Switzerland should be incorporating work on these issues into their bi-lateral dialogues at Leaders' level.

Banks, alongside the rest of the finance industry, are ready to tackle Europe's biggest challenges – but only a financial system built for growth, not just for safety, can let us. We will demonstrate unequivocally that these policy changes benefit the whole economy and all Europeans.

Europe has the capital and the institutions to compete. What it needs now is the will to put both to work.

Yours sincerely,

Ana Botin
Executive Chairman, Santander Group

Georges Elhedery
Chief Executive Officer, HSBC

Sergio Ermotti
Chief Executive Officer, UBS

Olivier Gavalda
Chief Executive Officer, Crédit Agricole

Slawomir Krupa
Chief Executive Officer, Société Générale

Jean Lemierre
Chairman, BNP Paribas

Nicolas Namias
Chief Executive Officer, BPCE Group

Steven van Rijswijk
Chief Executive Officer, ING Group

Christian Sewing
Chief Executive Officer, Deutsche Bank

C.S. Venkatakrishnan
Chief Executive Officer, Barclays

Bill Winters,
Chief Executive Officer, Standard Chartered Bank

CC:

Mr Micheál Martin, President of the Council of the EU and members of the European Council
Executive Vice President Stéphane Séjourné
Commissioner Valdis Dombrovskis
Commissioner Maria Luís Albuquerque
President of the Eurogroup, Kyriakos Pierrakakis
Mr Mario Draghi
Mr Enrico Letta