



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

20 March 2023

ECB Banking Supervision, SRB and EBA statement on the announcement on 19 March 2023 by Swiss authorities

ECB Banking Supervision, the Single Resolution Board and the European Banking Authority welcome the comprehensive set of actions taken yesterday by the Swiss authorities in order to ensure financial stability.

The European banking sector is resilient, with robust levels of capital and liquidity.

The resolution framework implementing in the European Union the reforms recommended by the Financial Stability Board after the Great Financial Crisis has established, among others, the order according to which shareholders and creditors of a troubled bank should bear losses.

In particular, common equity instruments are the first ones to absorb losses, and only after their full use would Additional Tier 1 be required to be written down. This approach has been consistently applied in past cases and will continue to guide the actions of the SRB and ECB banking supervision in crisis interventions.

Additional Tier 1 is and will remain an important component of the capital structure of European banks.

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