

# Banking Union: integrating components and complementary measures

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## Abstract

The crisis has led to increased financial fragmentation and revealed the link between sovereign and national banking risks, whose persistence over time would be incompatible with the euro. The solution to these problems must be the banking union, which should be constructed at the same time as the current crisis is being resolved. The process will be eventually complemented by the creation of cross-border banks. The process of the banking union does not have an optimal design, it will be long and will generate tensions during the transition period, but it is politically feasible. In the end, we will have a Europe that is much more integrated from the monetary, banking, fiscal and political points of view.

Key words: banking union, Europe, supervision, fragmentation.

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