

BANKING IN EUROPE

Facts and Figures on the European banking sector in 2017



SERVING HOUSEHOLDS AND BUSINESSES IN MORE THAN 32 COUNTRIES

Banks at work

189,000 branches

448,000 ATMs

1-in-100 jobs is a banking job



6,500 BANKS
2.8 MILLION EMPLOYEES



Deposits-per-capita
€43,181

Loans-per-capita
€46,112



Euro area's economic recovery continues in 2017

1.7% Growth

9.5% Unemployment

1.6% Inflation

1.4% Private consumption

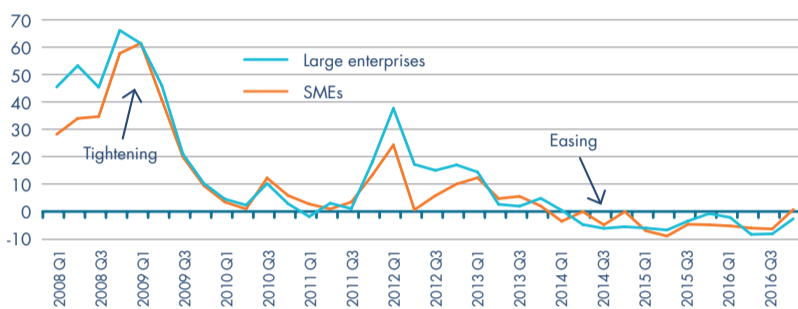
FINANCING THE ECONOMY

Europe's banks are global payments leaders:

OVER 150 MILLION card POS payments per day (in EU)

OVER 305 MILLION cashless payments per day (in EU)

Lending environment is improving



After years of tightening credit standards in the EU, the lending environment is improving for SMEs and large enterprises. Improved lending conditions, as well as continued EU-wide growth, provide SMEs with a unique opportunity to grow and prosper in the EU. Banks continue to play a crucial role in facilitating this growth.

Integrated Payments

The Single European Payments Area (SEPA) aims to harmonise and integrate payment markets across Europe, with one set of euro payment instruments: credit transfers, direct debits and payment cards, common standards and practices and a harmonised legal basis. SEPA covers more than 520 million people in 34 countries.

Capital Markets Union

Strengthening and diversifying financing for businesses across the EU is the objective of the EU's Capital Markets Union plan. The banking sector fully embraces CMU as a way for creating a new ecosystem for growth and for unlocking the latent investment potential in financial markets.

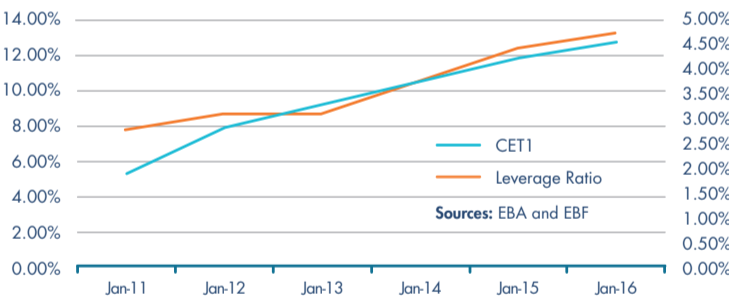
"Strong and stable banks are a key partner when it comes to getting Capital Markets Union to deliver on its objective of financing growth in Europe"

Wim Mijs, Chief Executive Officer of the EBF



A STRONGER BANKING SECTOR

Key ratios are improving



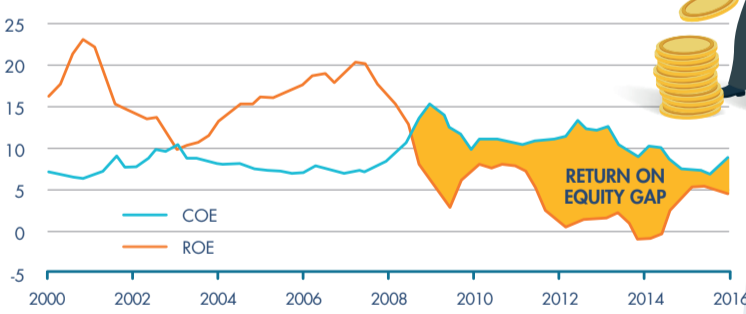
51.3%

Deposits in EU banks as a share of total banking assets (up from 47.3% in 2007)

3.5%

Return on Equity (ROE) of EU banks in 2016

But, profitability remains challenging



Harmonising EU banking rules

Single Rulebook

While bankers across Europe agree that regulation is the most significant challenge they face they also recognize the benefits of the EU's Single Rulebook. Initiated in 2009, the Single Rulebook aims for a unified regulatory framework that would complete the single market in financial services.

Banking Union

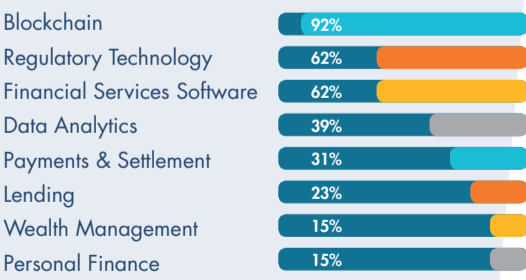
As part of Banking Union, the national responsibility for banking supervision in Eurozone countries was transferred to the EU level in 2014. Since then, the largest Eurozone banks are supervised directly by the European Central Bank under the Single Supervisory Mechanism. Banking Union also includes the Single Resolution Mechanism.



EMBRACING DIGITAL

Banks ♥ Fintech

Investments in Financial Technology



92% of major EU banks are investing in Blockchain/Distributed Ledger Technology

Cybersecurity

The main IT risk for banks in Europe today is the threat of cybercrime. In Q1 2017 alone, more than 500 million attacks were launched from the web, according to Kaspersky Labs. More than 56% of bankers surveyed by EY in 2016 agreed that cybersecurity is a top priority for their organisation, compared to 48% a year earlier.

Payment Services

The EU's second Payment Services Directive, or PSD2, is creating a harmonized framework for innovative and competitive payment services, triggering a revolution in online payments. Banks support an EU payments ecosystem that is secure, reliable and interoperable.

Digital Single Market

€415 BILLION Extra GDP growth

3.8 MILLION New jobs



Big Data
Large data sets allow for companies to better analyse customers and trends, creating better and more personalised services.



Cloud
Cloud computing allows for users to share documents and data over the cloud, facilitating easier global cooperation.



Digital Skills
Given the rapid pace of digitalisation, obtaining digital skills such as coding is vital to maintaining a competitive edge