



Banking in Europe: 2020 Facts & Figures

Prudential Policy and Supervision



Banking in Europe: 2020 Facts & Figures

1 Structure of the banking sector

- ◆ Credit institutions in the EU
- ◆ Branches & subsidiaries
- ◆ Banks staff

3 Banking sector performance

- ◆ Assets & bank funding
- ◆ Bank profitability

5 Country by country statistics

- ◆ Country pages
- ◆ Annexes

2 Supporting customers

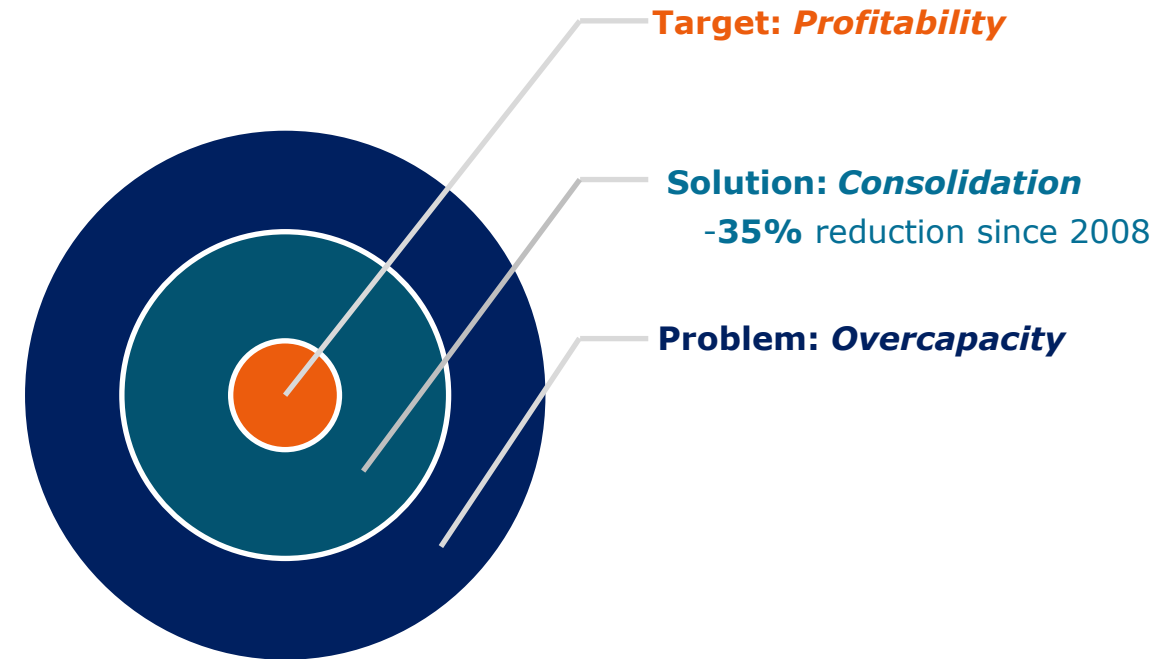
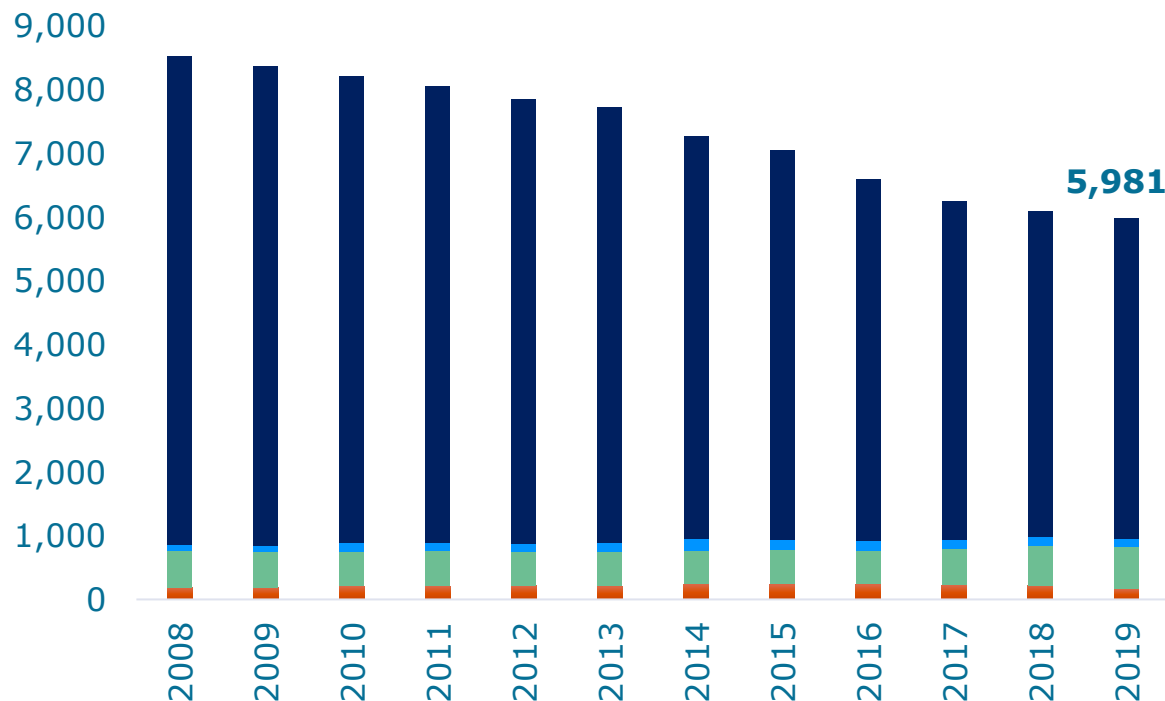
- ◆ Deposits & loans
- ◆ Banking Lending Survey
- ◆ Lending & payments

4 Covid-19 special chapter

- ◆ What happened?
- ◆ What is next?

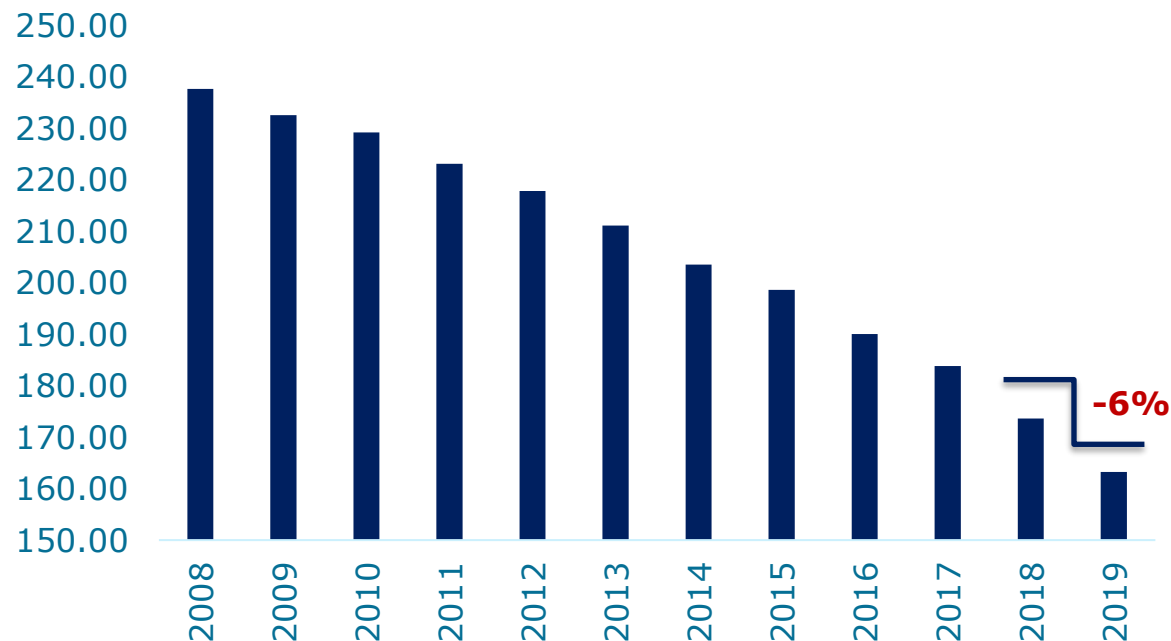
Structure of the banking sector: Credit Institutions

- Credit institutions legally incorporated in the reporting country
- Branches of non-EEA based banks
- Branches of euro area-based credit institutions
- Branches of EEA-based credit institutions (outside the euro area)

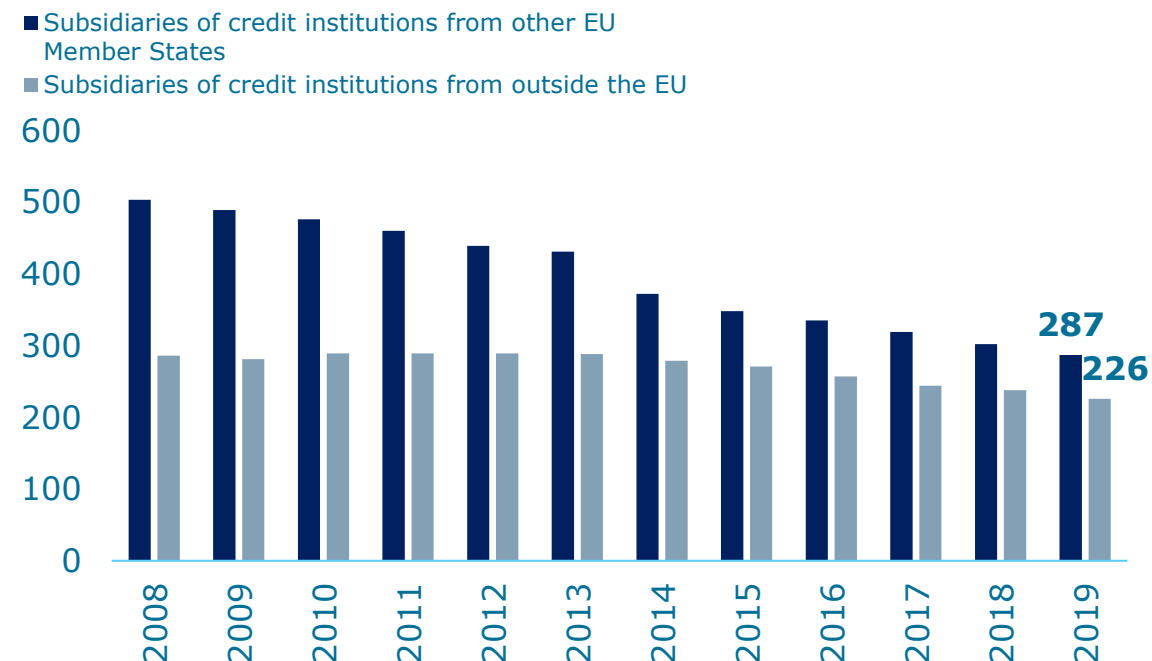


Structure of the banking sector: Branches & Subsidiaries

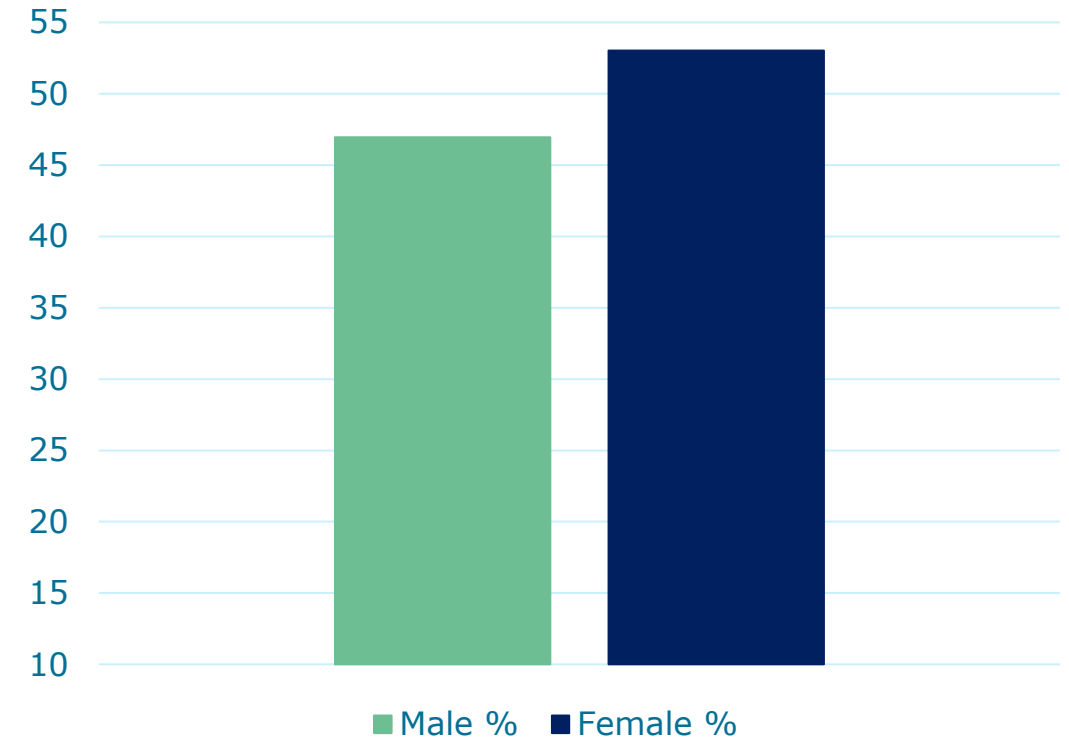
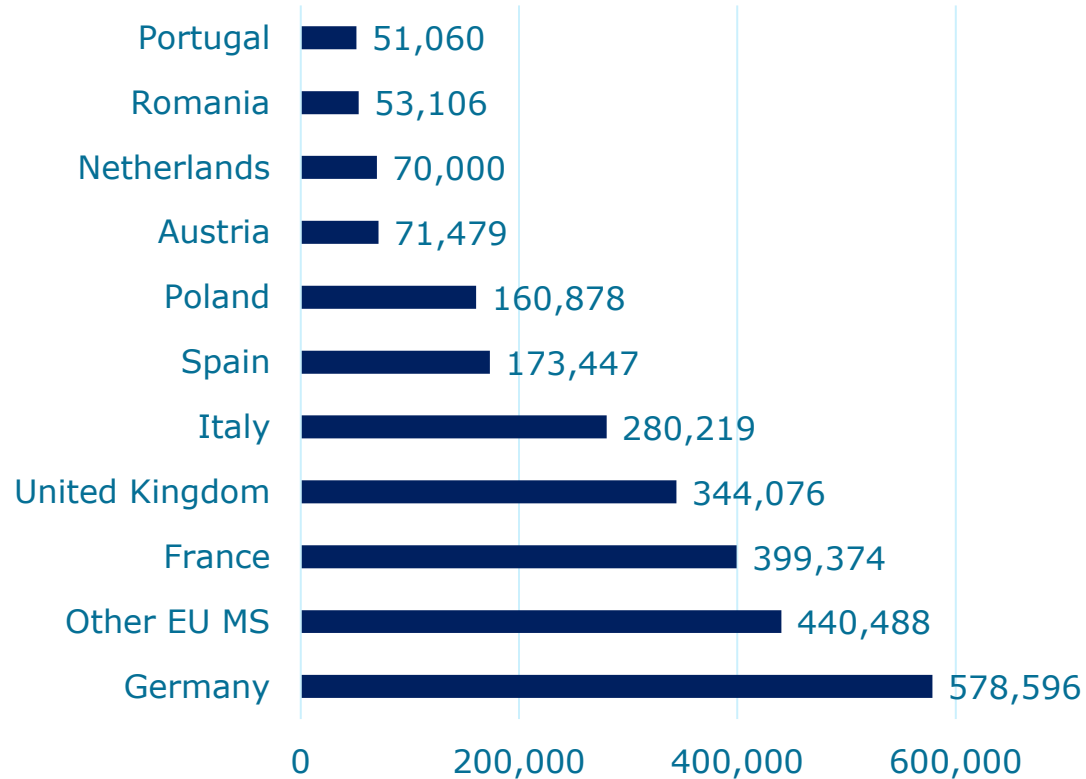
Number of domestic branches (thousands)



Credit institution subsidiaries



Structure of the banking sector: Banks staff

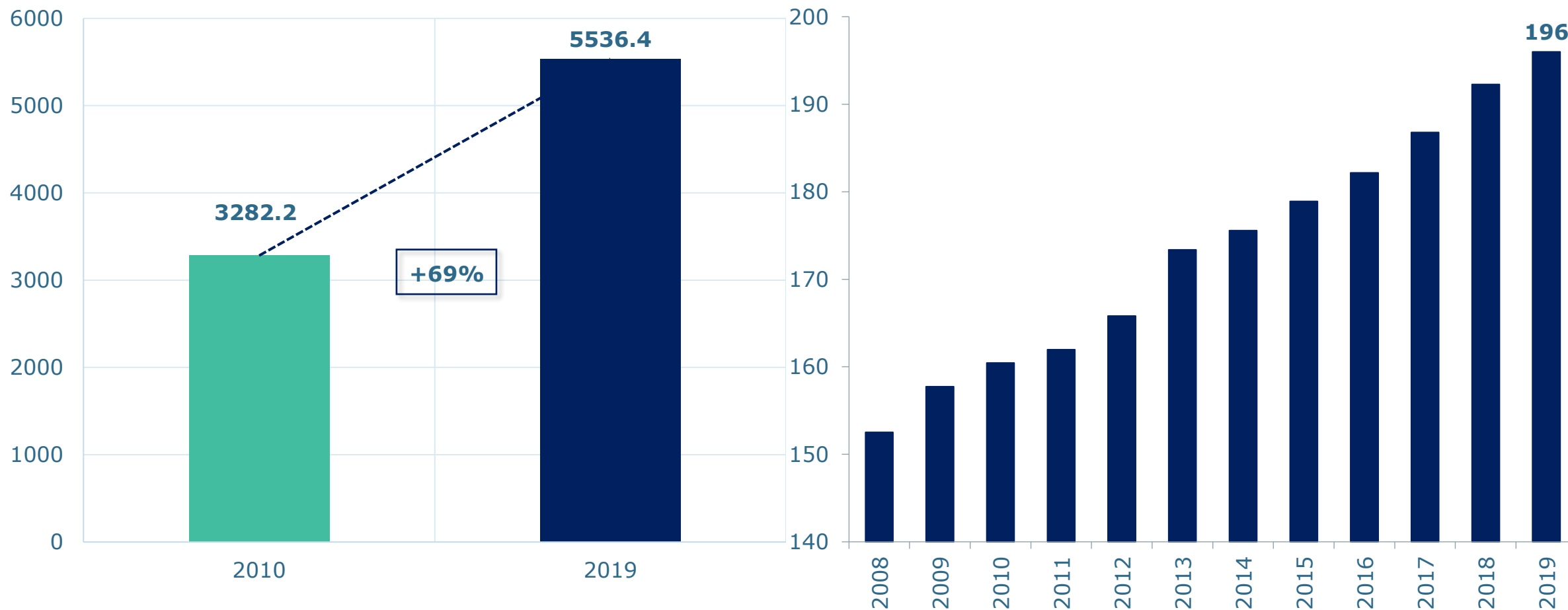


Scope: Top EU 15 banks



3-4 % GVA to European Economy

Structure of the banking sector: Inhabitants per bank branch and bank staff



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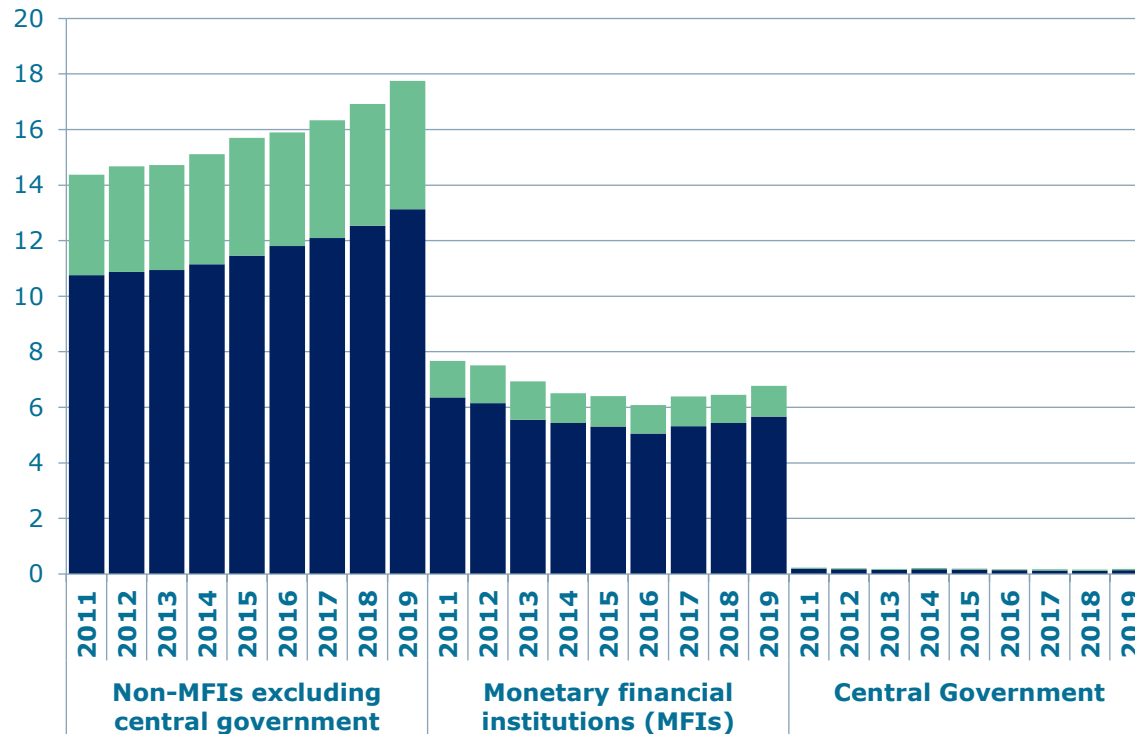
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Supporting customers: Deposits

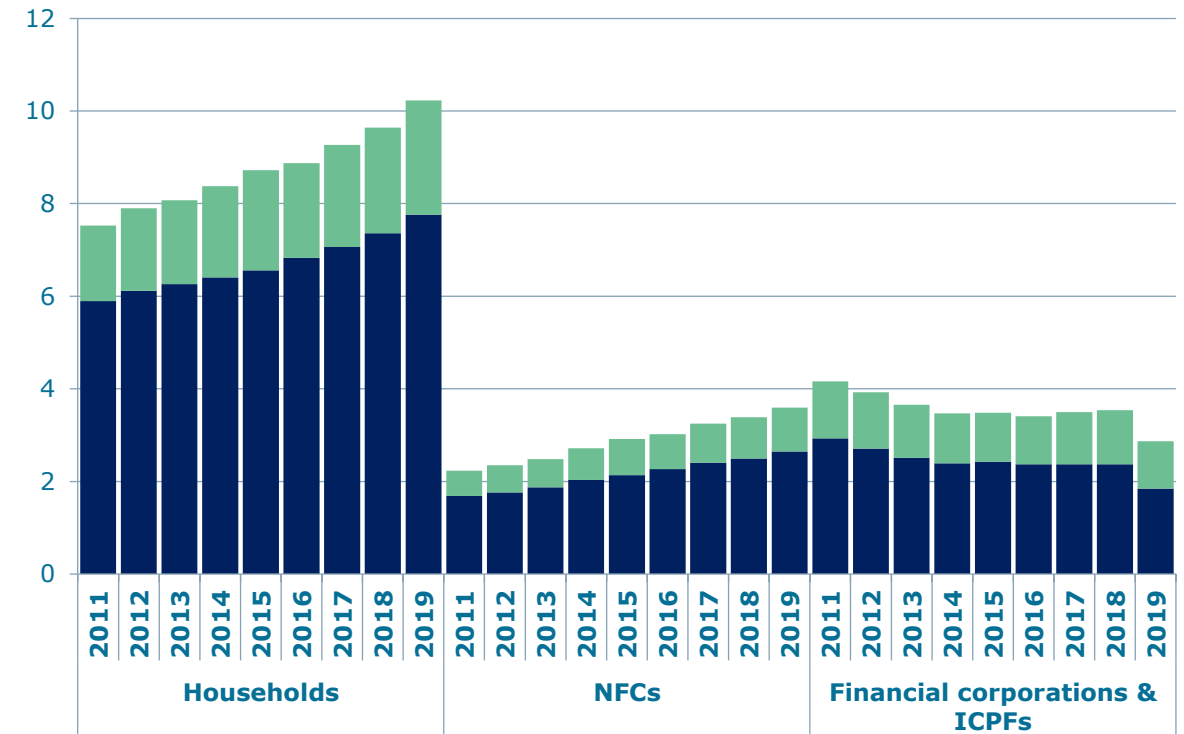
Bank deposits in the EU € trillion

■ Euro area (changing composition) ■ Other EU



Deposits by counterparty sector € trillion

■ Euro area (changing composition) (trillion) ■ Other EU (trillion)

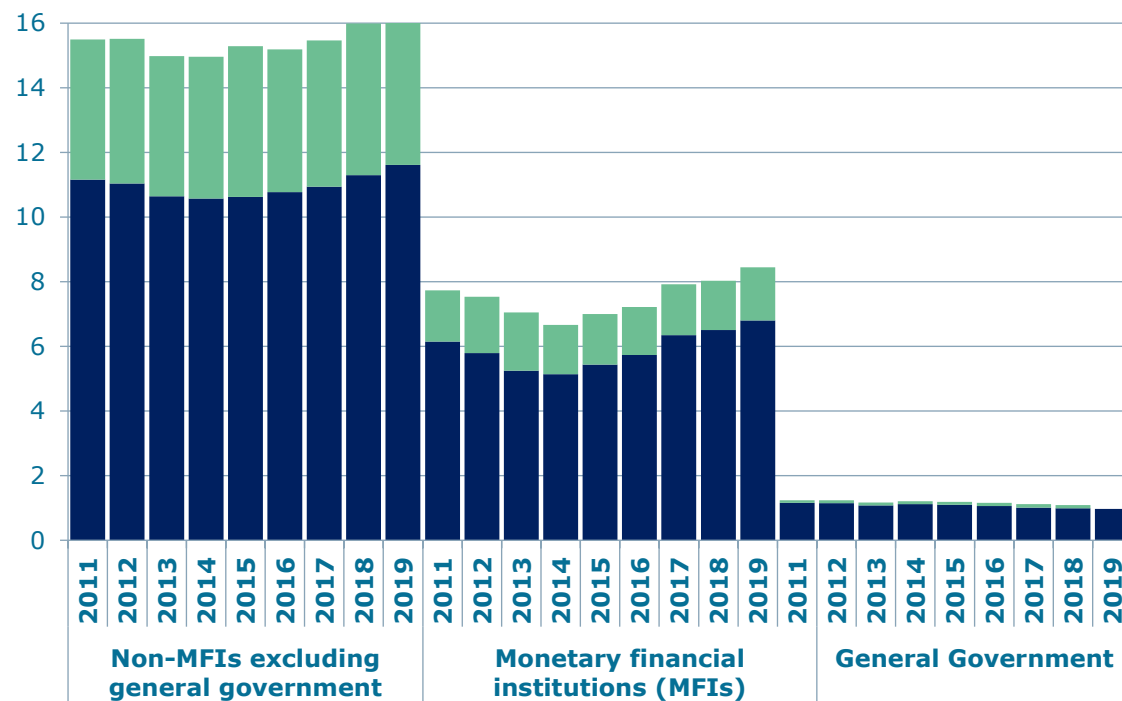


+5% YoY Total Liabilities Deposits to €24.7 Trillion

Supporting customers: Loans

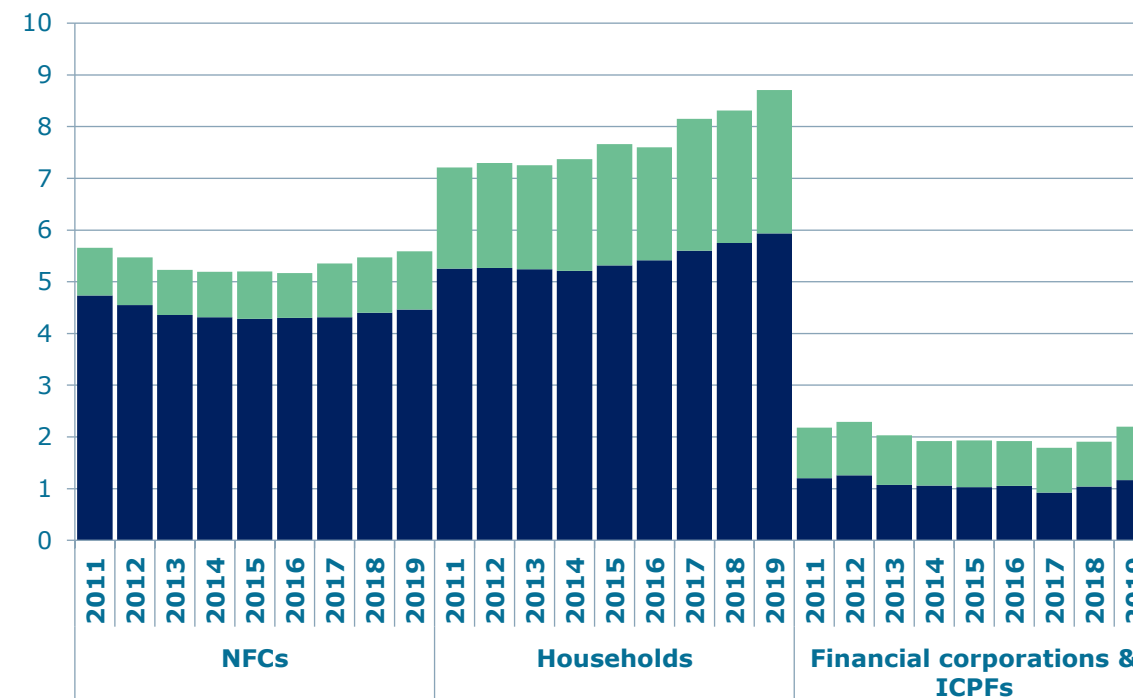
Bank loans in the EU € trillion

■ Euro area (changing composition) ■ Other EU



Loans by counterparty sector € trillion

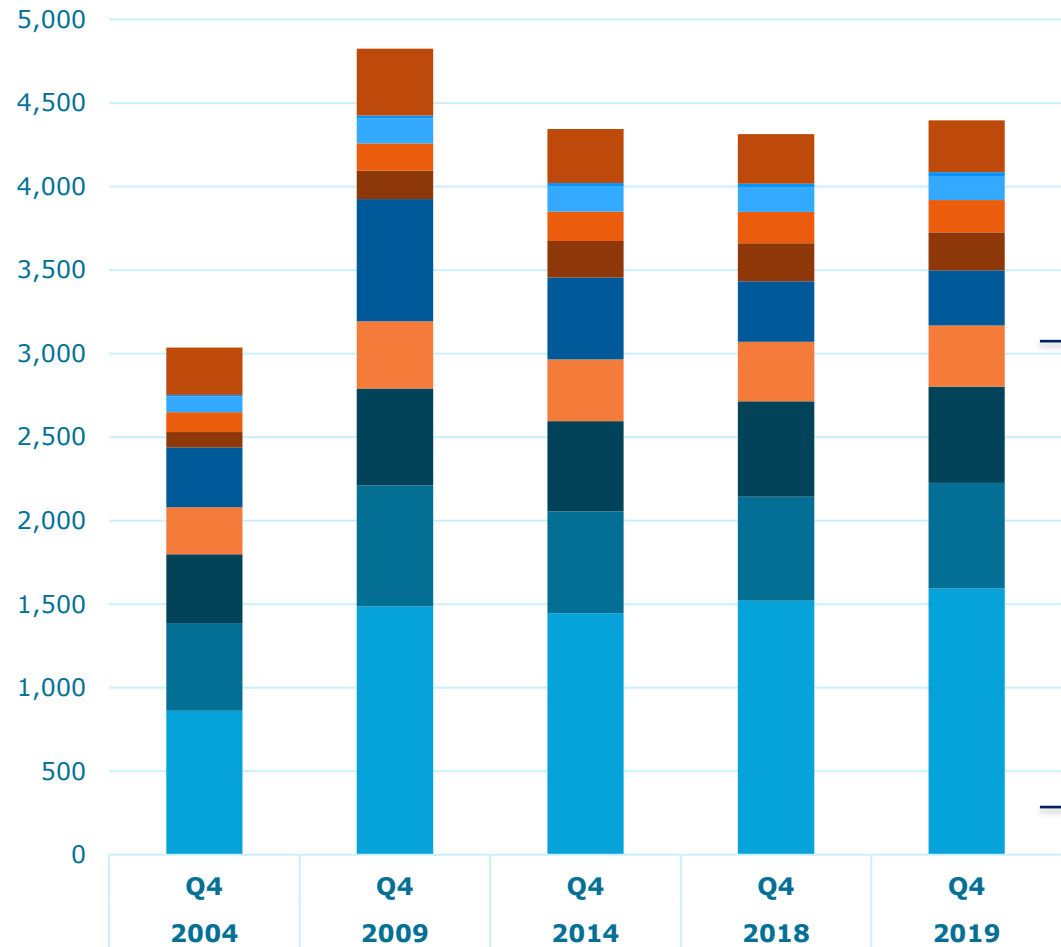
■ euro area ■ Other EU



+3.9% YoY of Loans outstanding to €26.1 Trillion

Supporting customers: Loans

MFI Loans to NFCs by economic activity € Billion



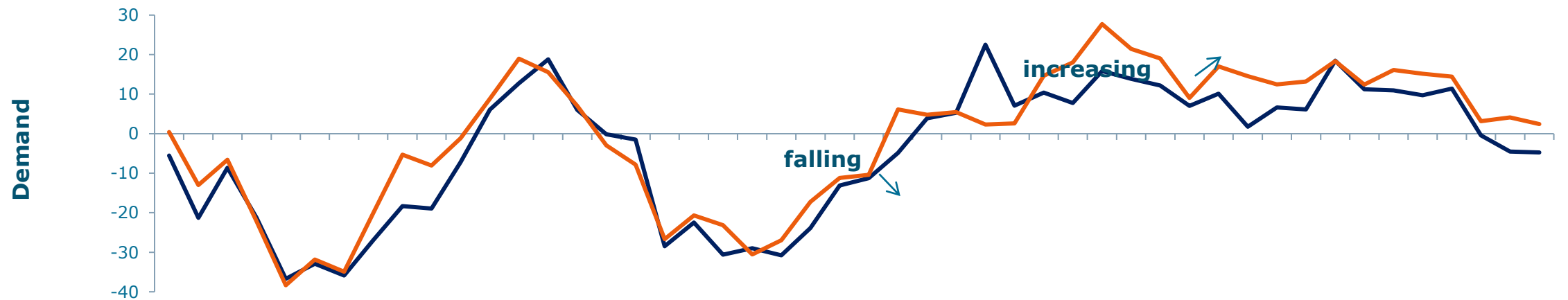
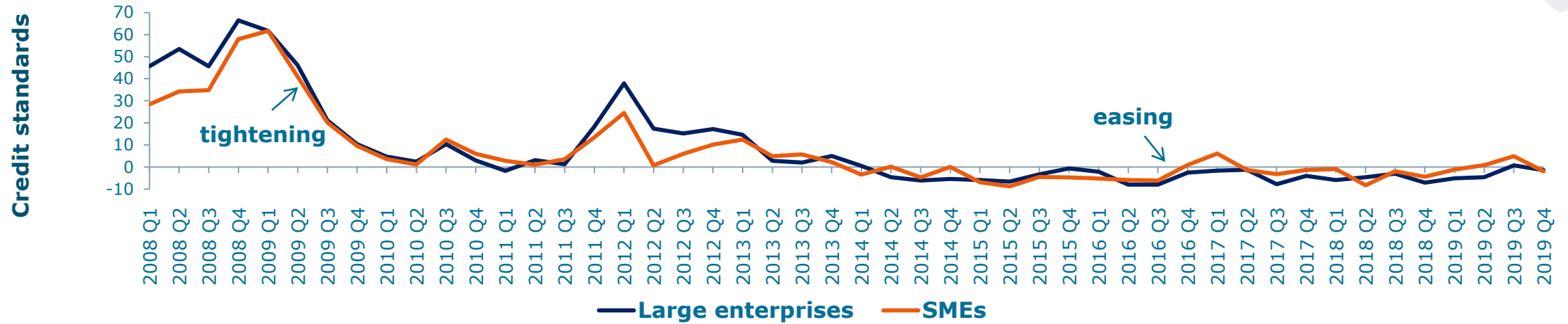
TOP 3 SECTORS (% share of Loans granted)

#3 Wholesale & Retail Trade  – 13.1%

#2 Manufacturing  – 14.4%

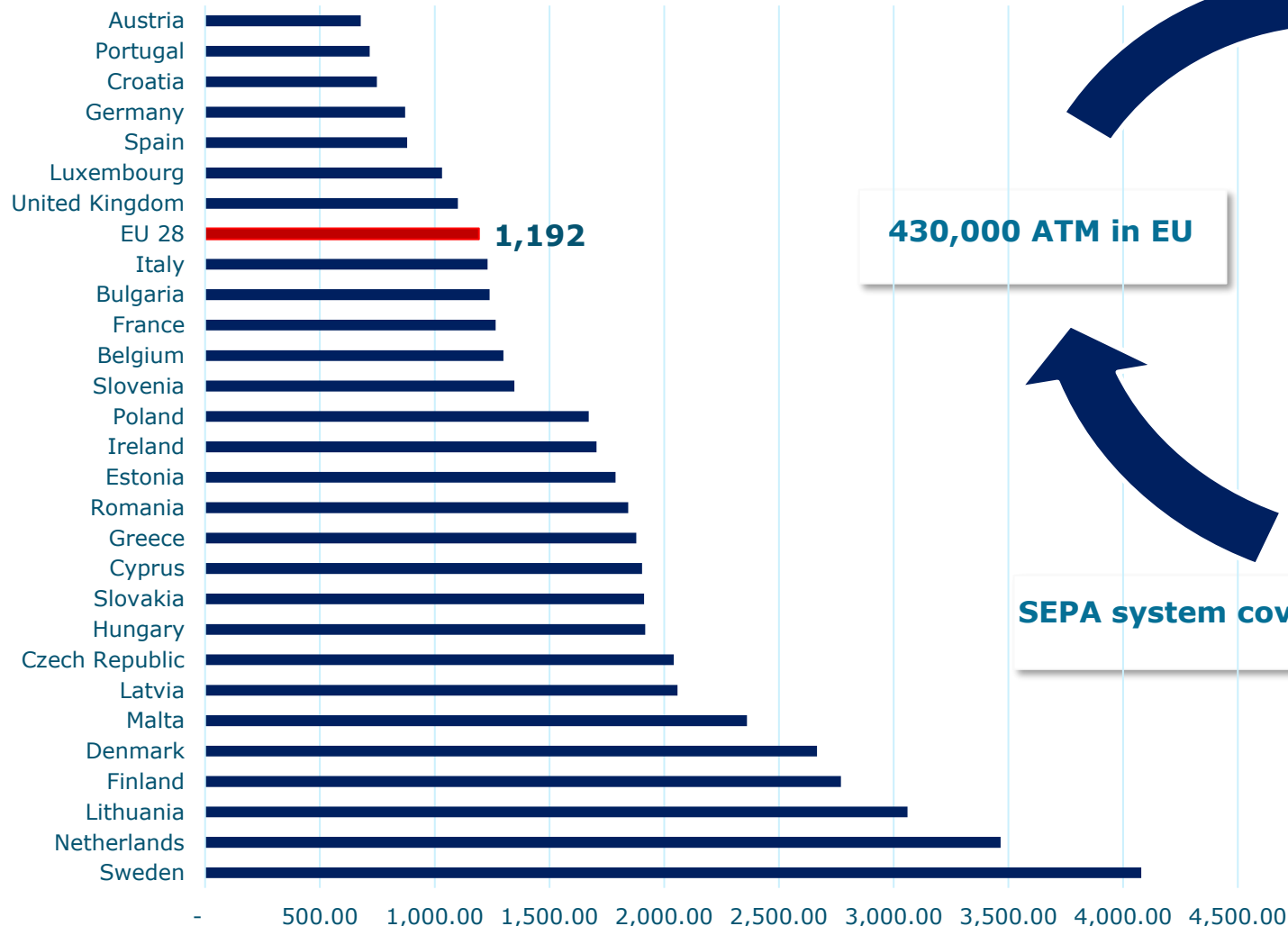
#1 Real Estate  – 36.4%

Supporting customers: Banking Lending Survey (BLS)



Supporting customers: Lending & payments

Numbers of inhabitants per ATM



430,000 ATM in EU

150 Bn cashless payment made by non-MFIs

SEPA system covering 520 mln people

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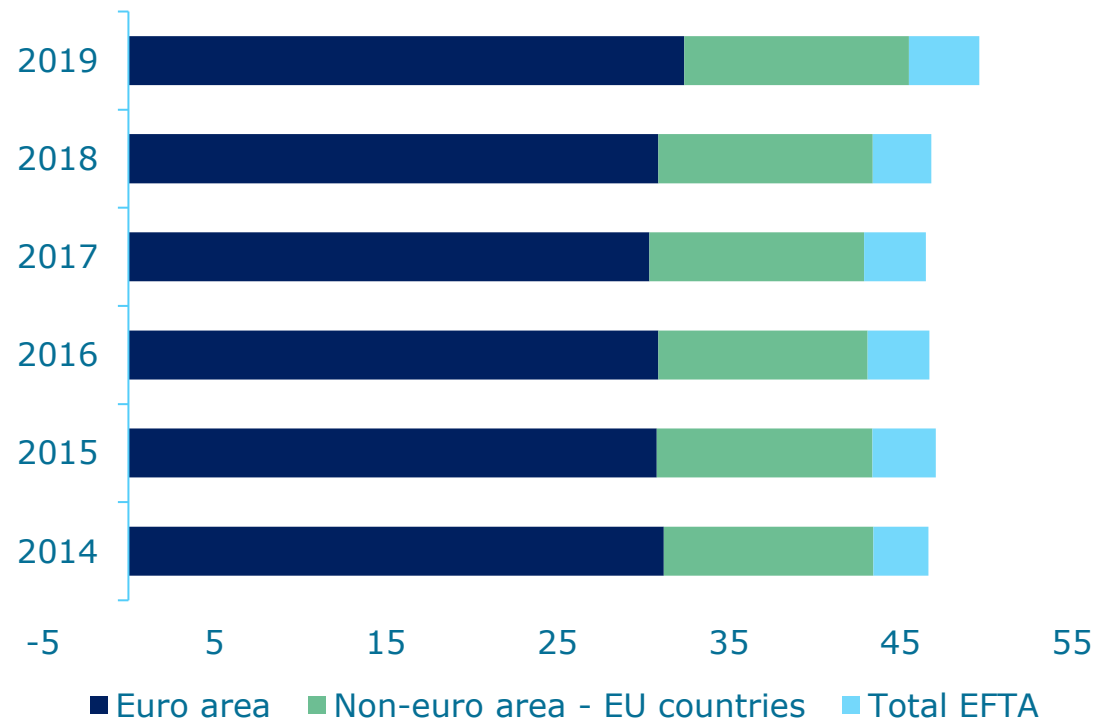
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Banking sector performance:

Assets

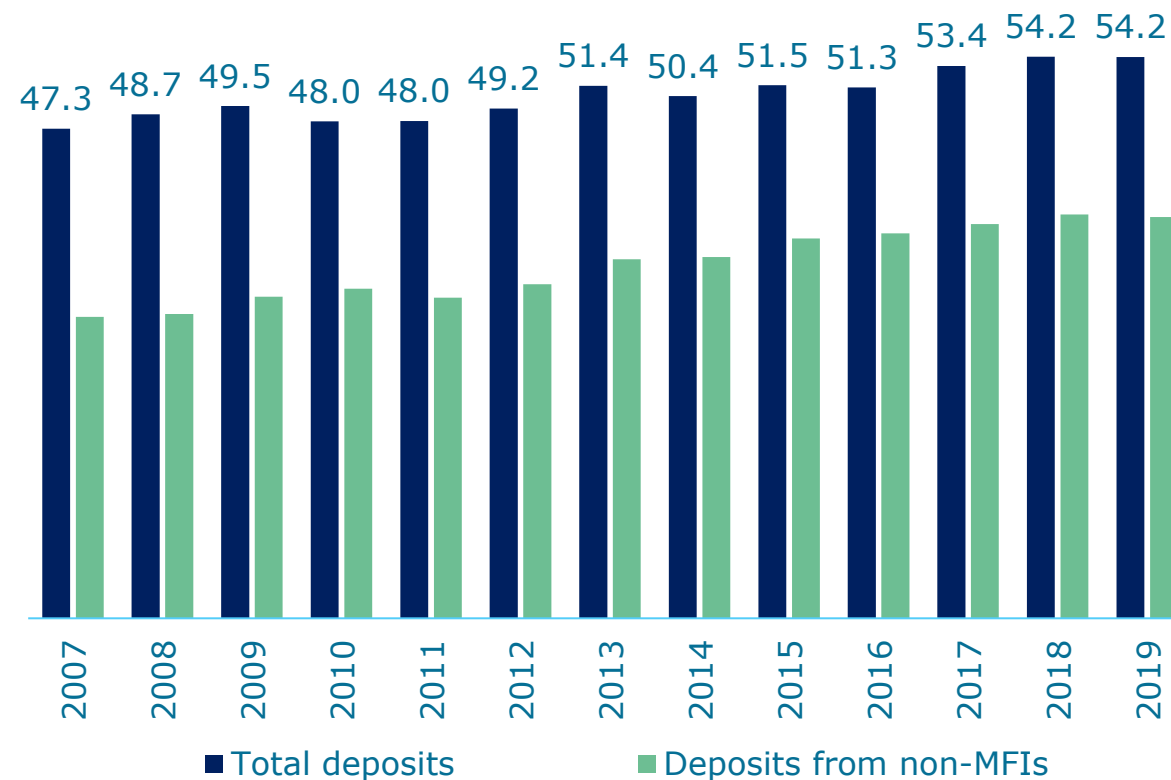
Total assets in EU banks

€ trillion



+€3 Trillion from previous year

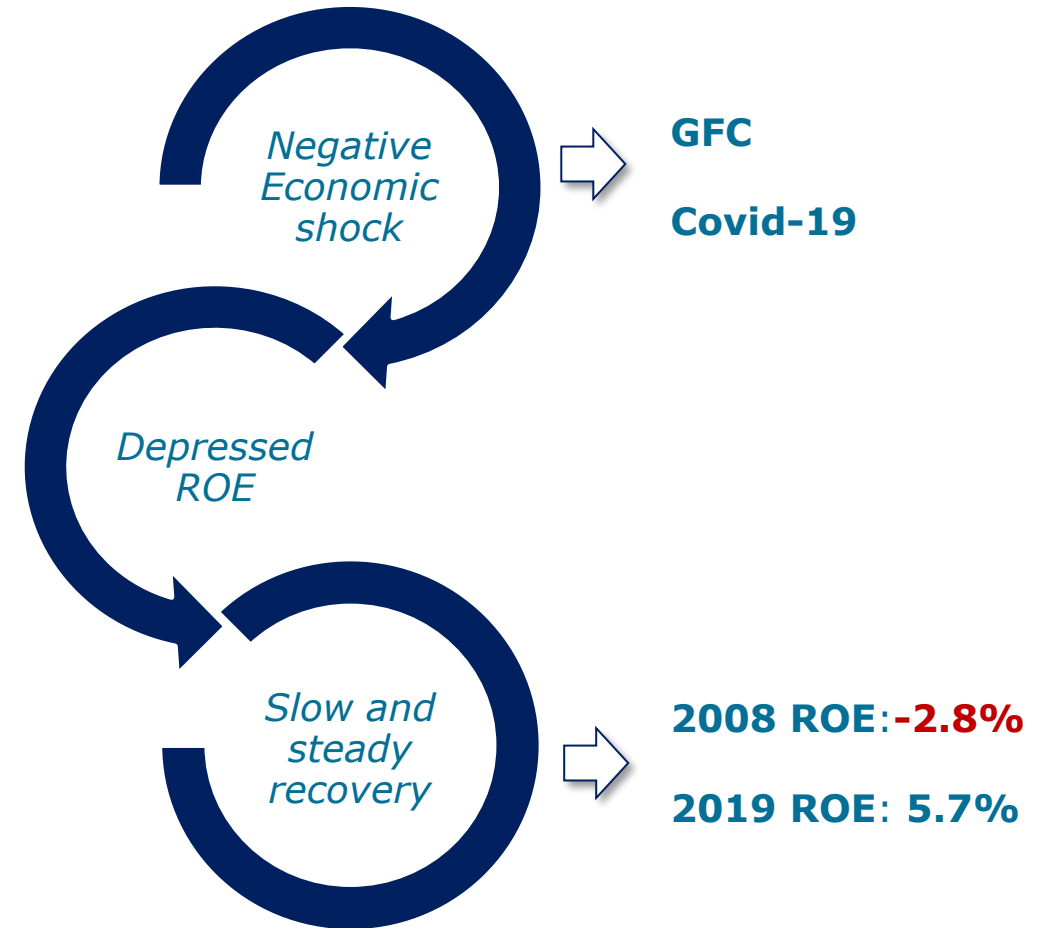
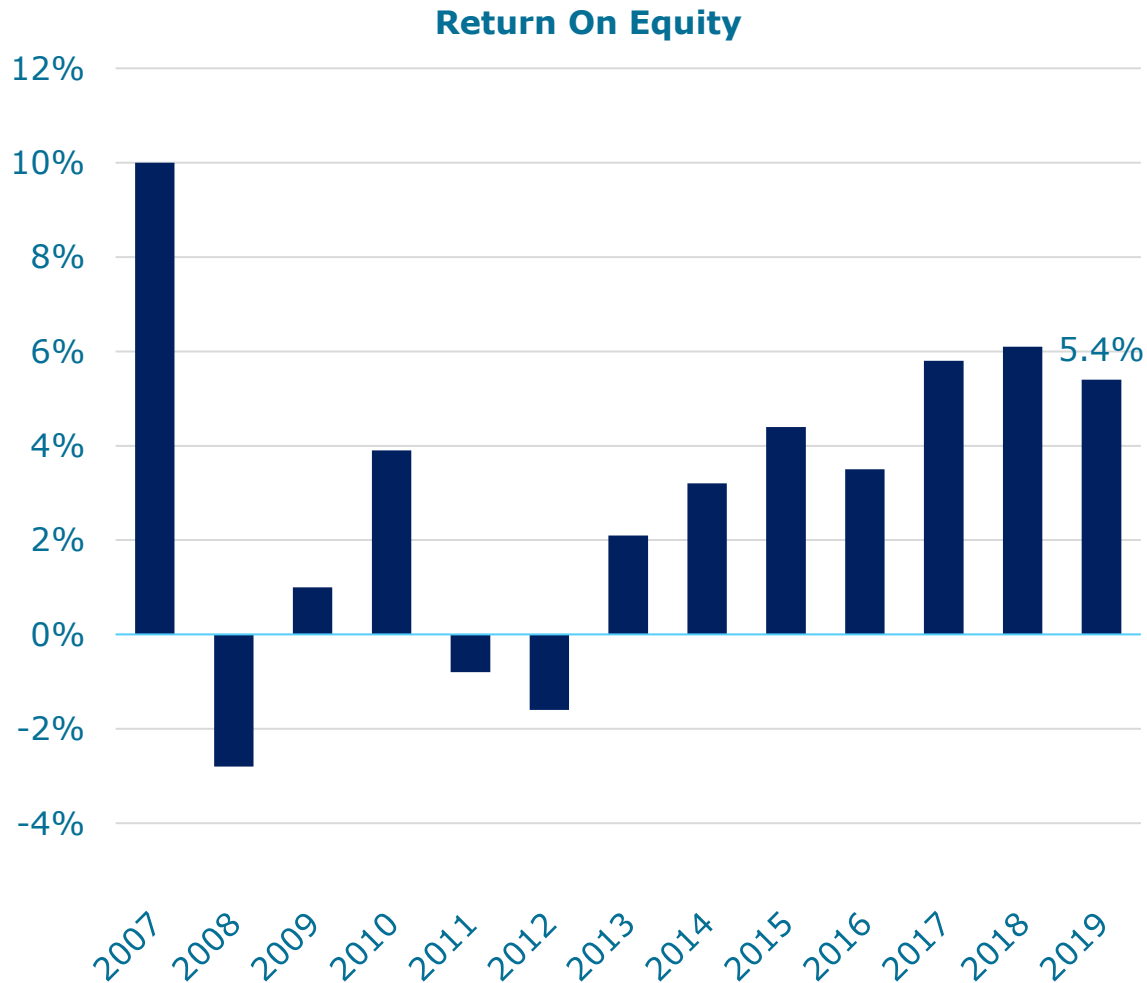
Deposits in EU banks as % of total banking assets



Steady Bank funding based on deposits

Banking sector performance:

Banks profitability



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COVID-19 Special Chapter



What happened?

- ◆ **Resilience**
- ◆ **Policy reaction**
- ◆ **Support to the economy**



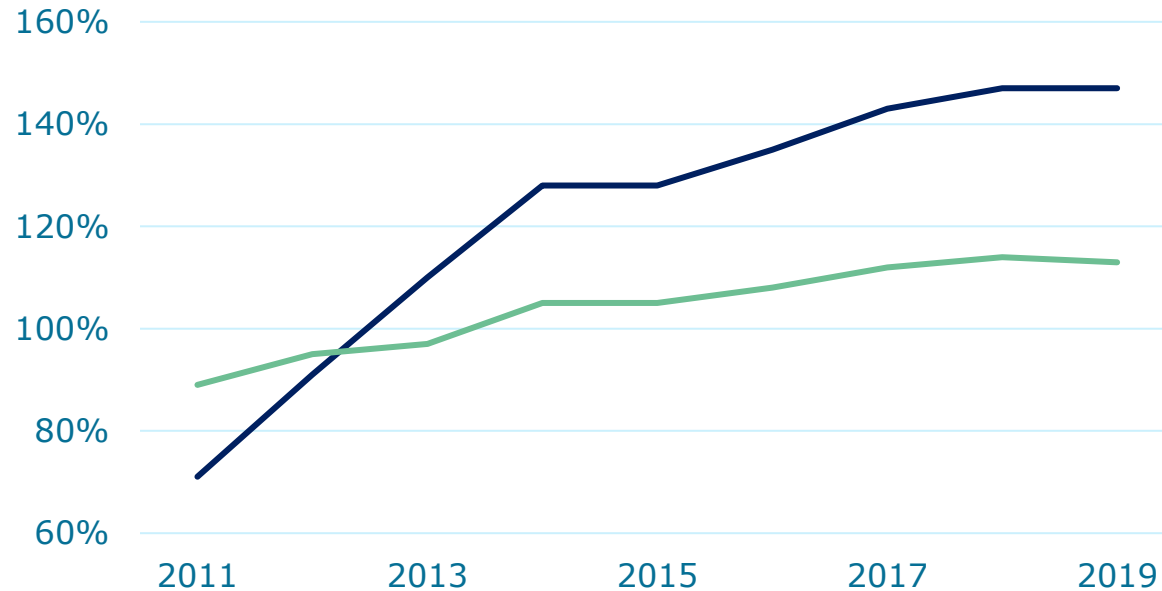
What is next?

- ◆ **Real-life stress test: Impact on GDP**
- ◆ **Cost of funding**
- ◆ **Room for manoeuvre**

Resilience

Liquidity Ratios

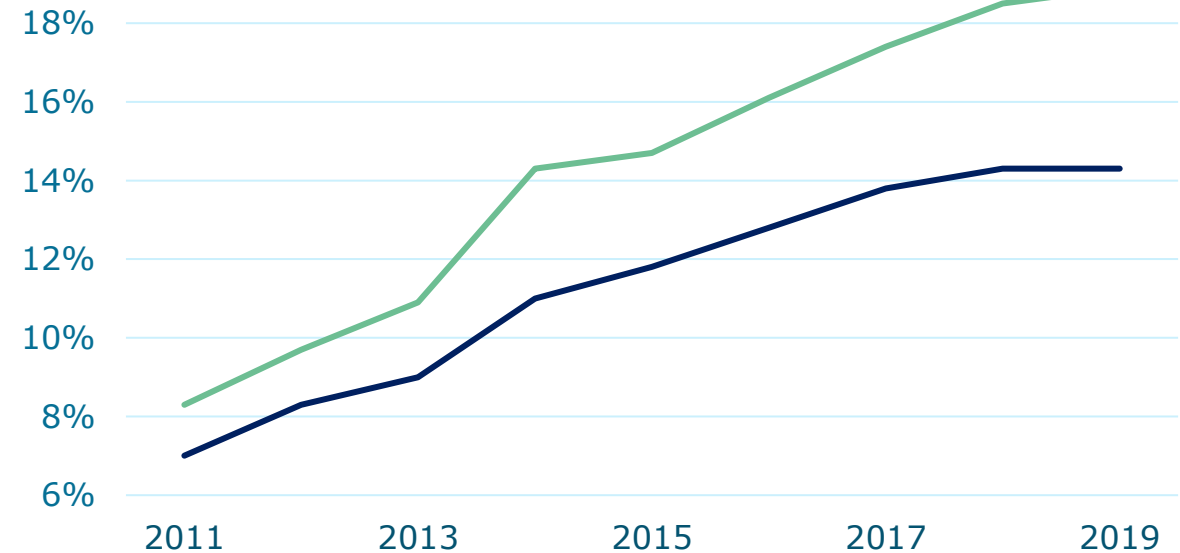
— Liquidity coverage ratio — Net stable funding ratio



Sources: EBA

Capital ratios

— Common Equity Tier 1 Capital — Total Capital



Sources: EBA

1) Enhanced liquidity



2) Robust capitalisation



3) Regulatory reform proven successful



4) Difference between failure and endurance

COVID-19 Special Chapter



What happened?

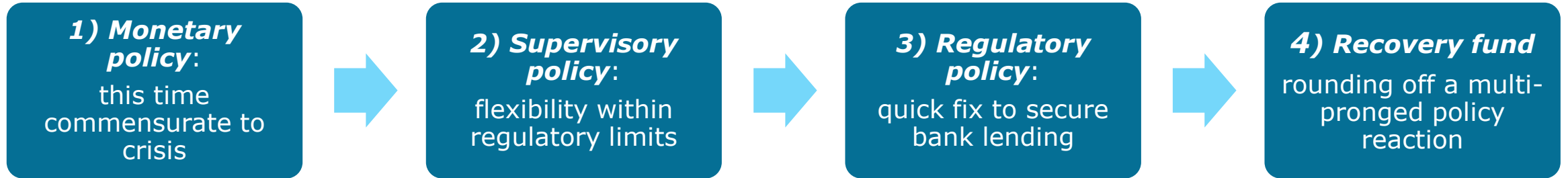
- ◆ Resilience
- ◆ Policy reaction
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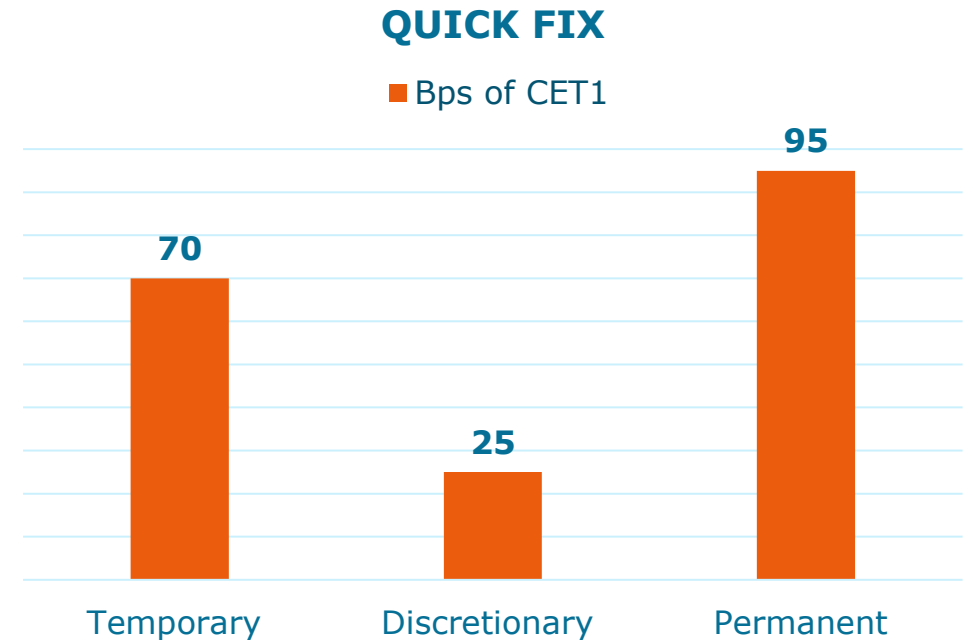
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Policy reaction



Sources: Bloomberg, ECB



Sources: EBF estimates

COVID-19 Special Chapter



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Support to the economy

Moratoria proposed by EBF, articulated by EBA, implemented by EU banks



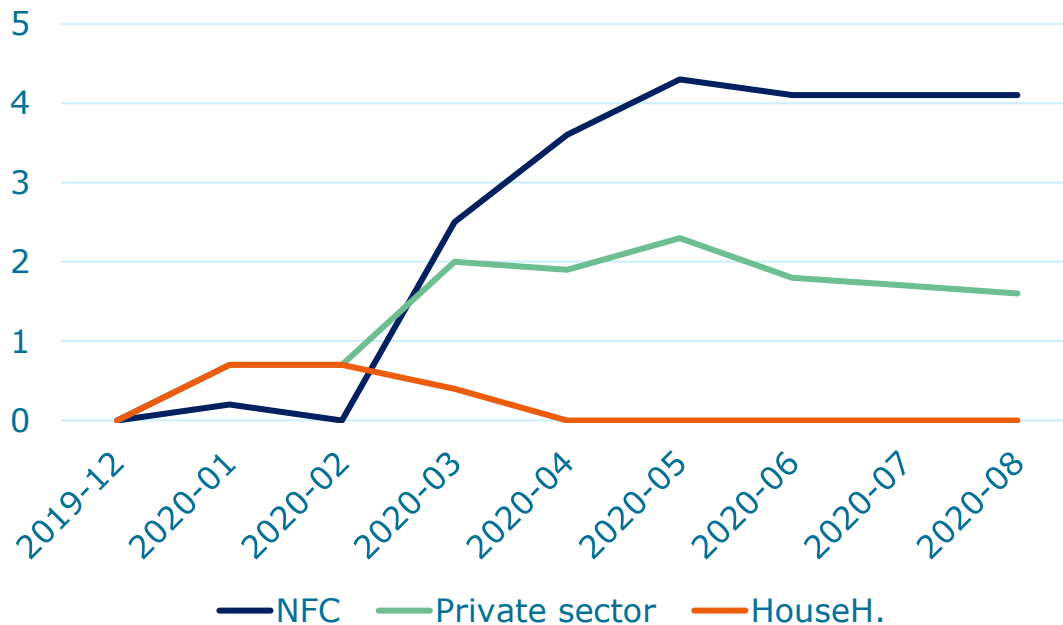
Level of lending maintained and increased



871 billion euros (*) to help 8 million beneficiaries

Sources: EBA as of June 2020 (*), and EBF

Loan growth during COVID-19
(% points)



Sources: ECB

MORATORIA RESPONSE TIMELINE

MARCH

- **11th**: EBF early call for coordinated action of EU authorities

APRIL

- **2nd**: EBA guidelines on moratoria schemes
- **20th**: EBA follow-up letter with 32 recommendations

MAY

- **27th**: EBF requests to extend application deadline of private moratoria from June to September 2020

JUNE

- Joint collaboration between EBF Moratoria Task Force with members from National Banking Associations and the EBA

COVID-19 Special Chapter



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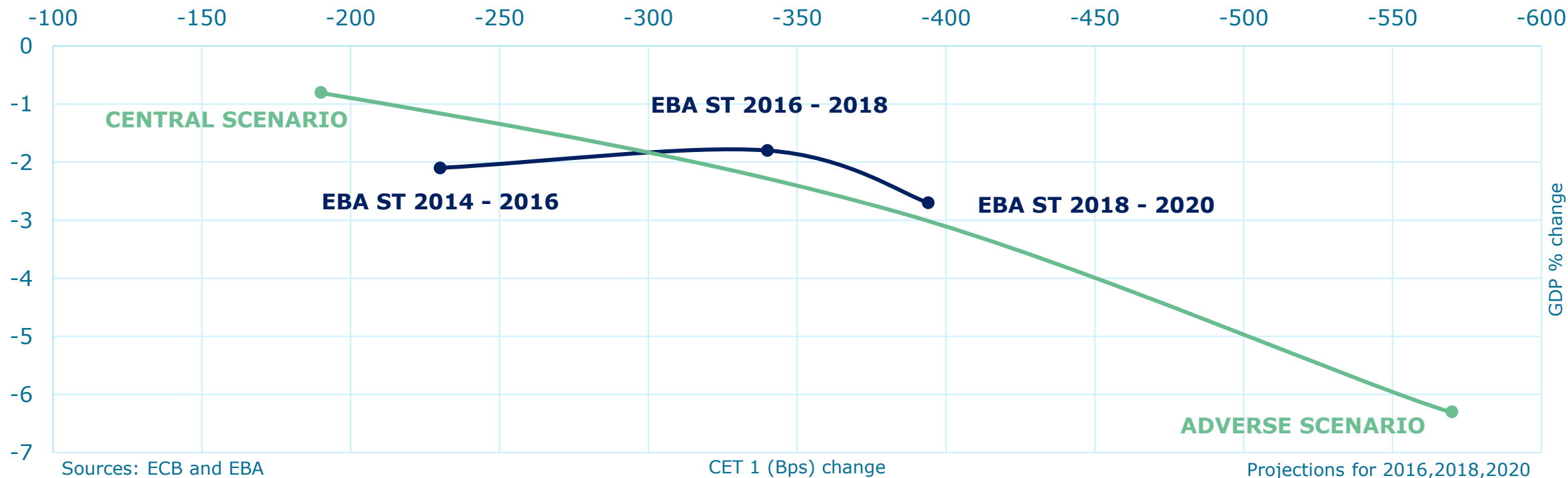
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Real-life stress test: Impact on GDP

● EBA STs Adverse Scenarios (2014,2016,2018)

● Vulnerability Analysis COVID-19 , 2020-2022 cumulative



1) Past stress tests proven useful

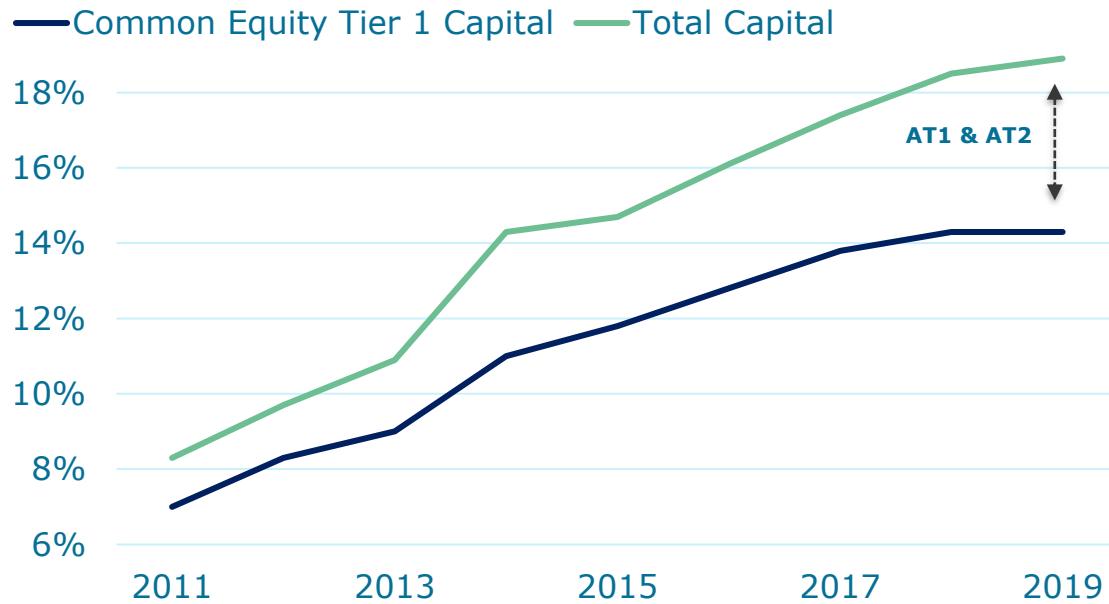


2) Capital depletion manageable up to 4% GDP decline (3-year)



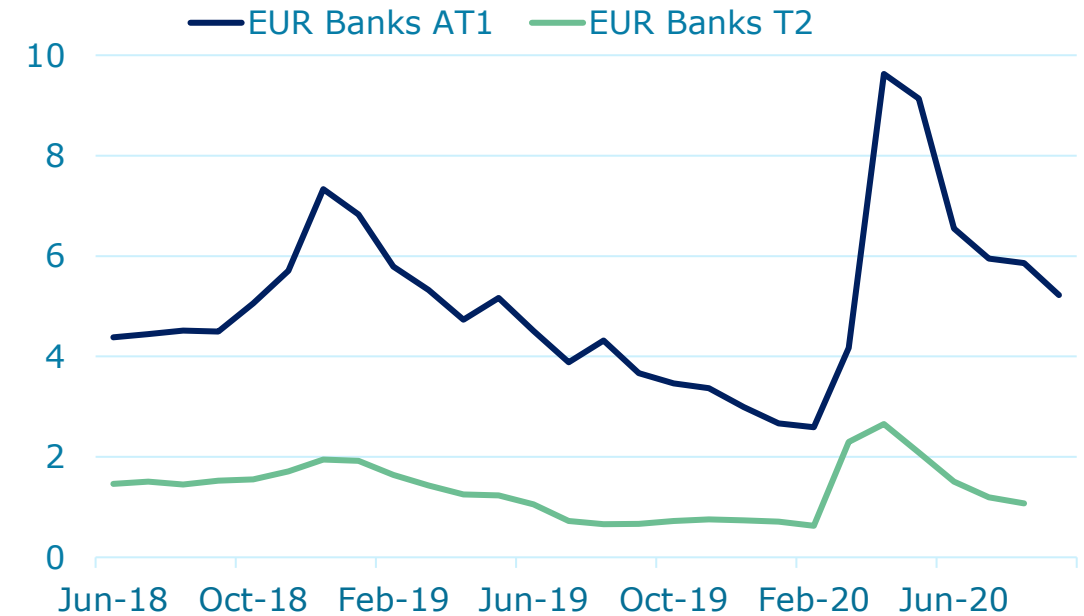
3) Exponential effect beyond 5% GDP decline (severe scenario)

Cost of funding



Sources: EBF and EBA

AT1 & T2 YTM % - Secondary market



1) Increased loss absorbency with a 4% cushion of AT1 and T2 built in the last 5 years



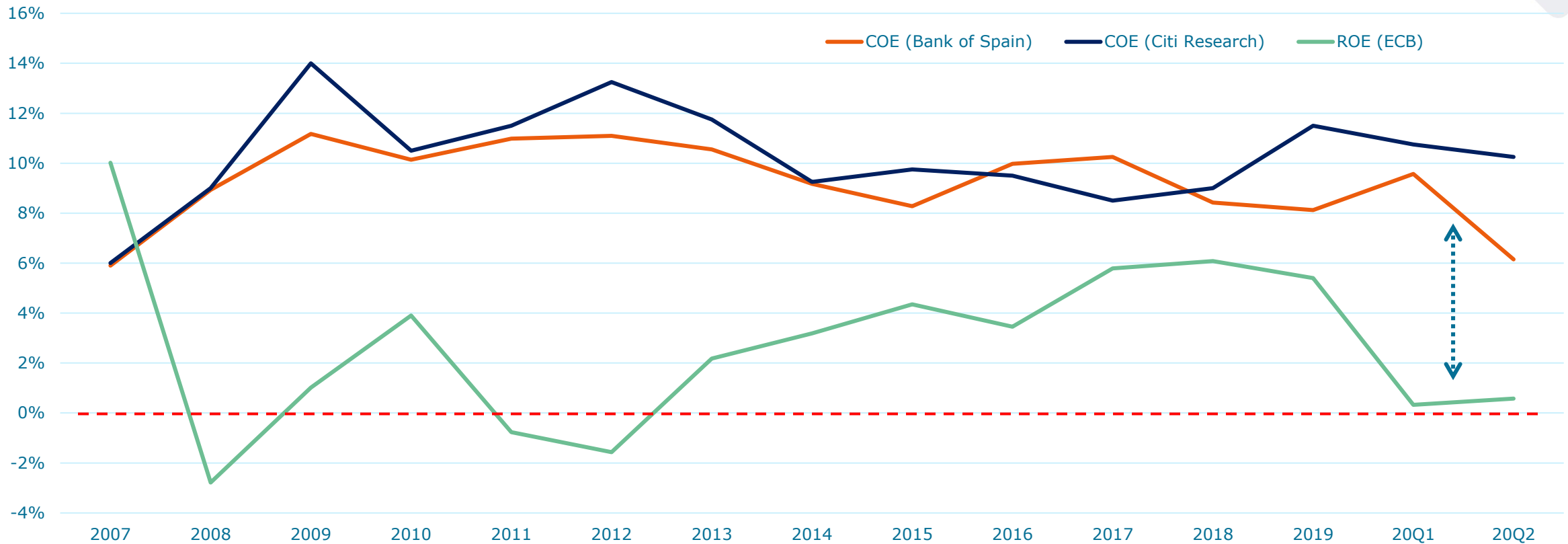
2) Extenuating circumstances shook convertible bonds market



3) Ample market liquidity attenuated volatility shock

Cost of funding

Reversal gap COE - ROE



Sources: ECB, Citi, BdE and EBF

Longstanding reversal with cost and return of equity

COVID-19 Special Chapter



What happened?

- ◆ Resilience
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- ◆ Support to the economy



What is next?

- ◆ Real-life stress test: Impact on GDP
- ◆ Cost of funding
- ◆ Room for manoeuvre

Room for manoeuvre



Experience

- ◆ Resilient EU banking system
- ◆ Firm and profound EU policy reaction
- ◆ Ample support to the economy



Lessons learnt

- ◆ Regulatory framework sound but rigid
- ◆ Need to strike the right balance between banks' resilience and lending
- ◆ Greater room for manoeuvre may make the framework more flexible without compromising its soundness

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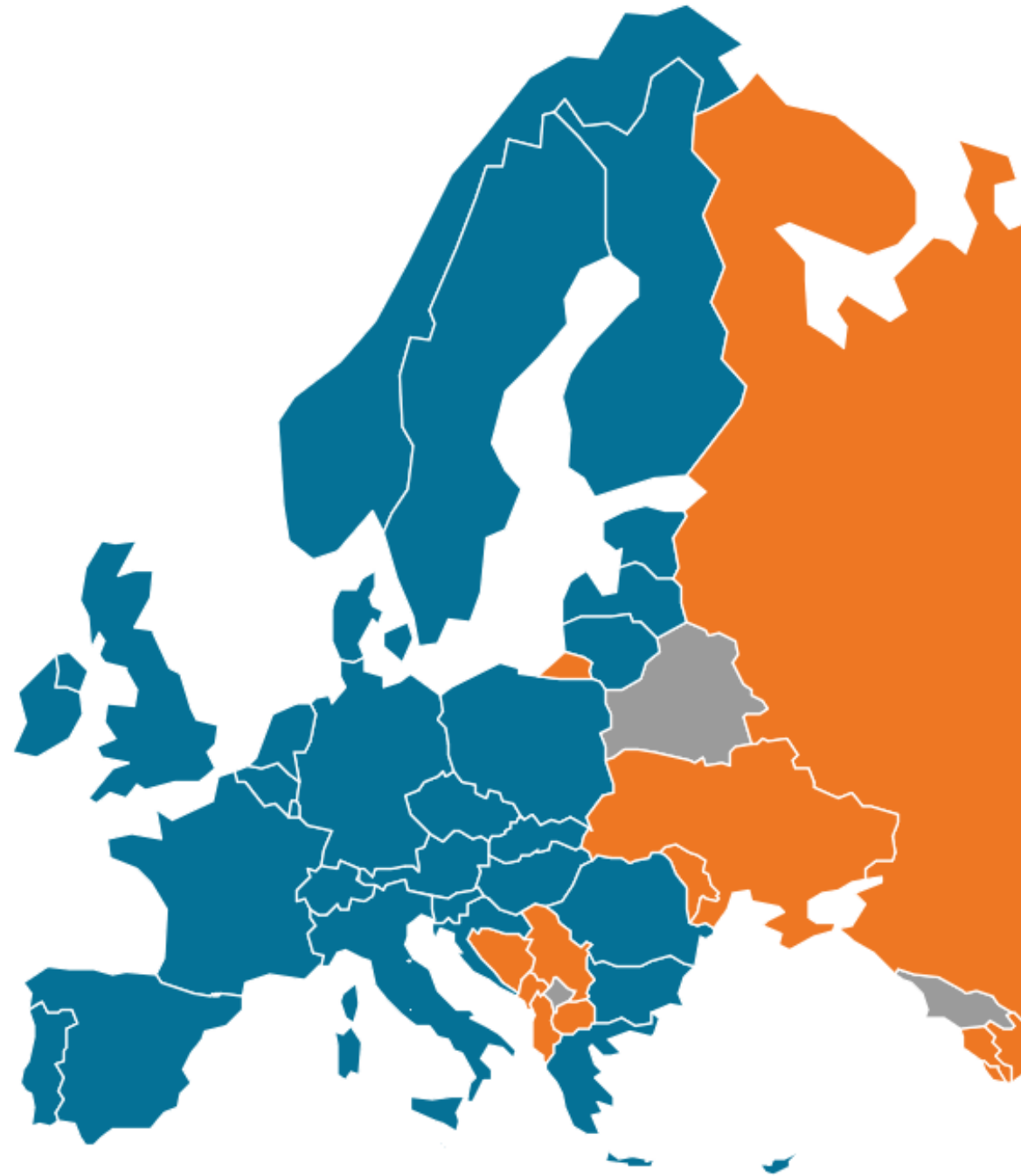
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Country by country statistics:

Country pages

32 Members
10 Associates





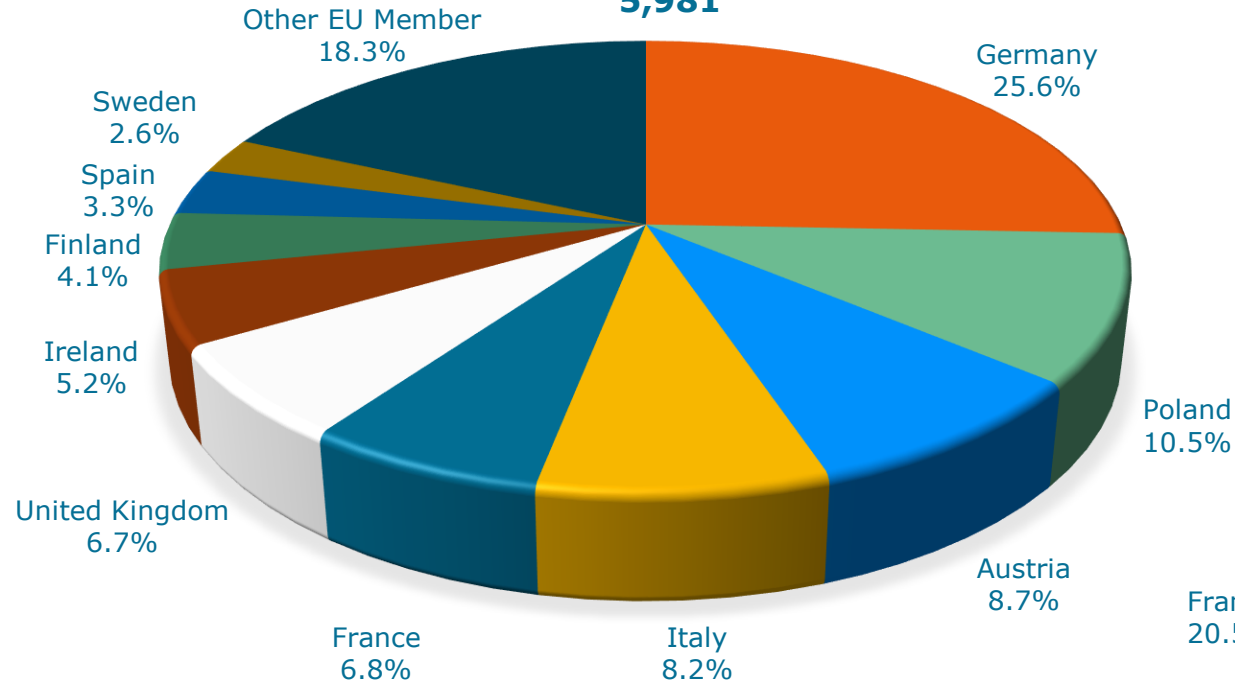
32 Member Associations



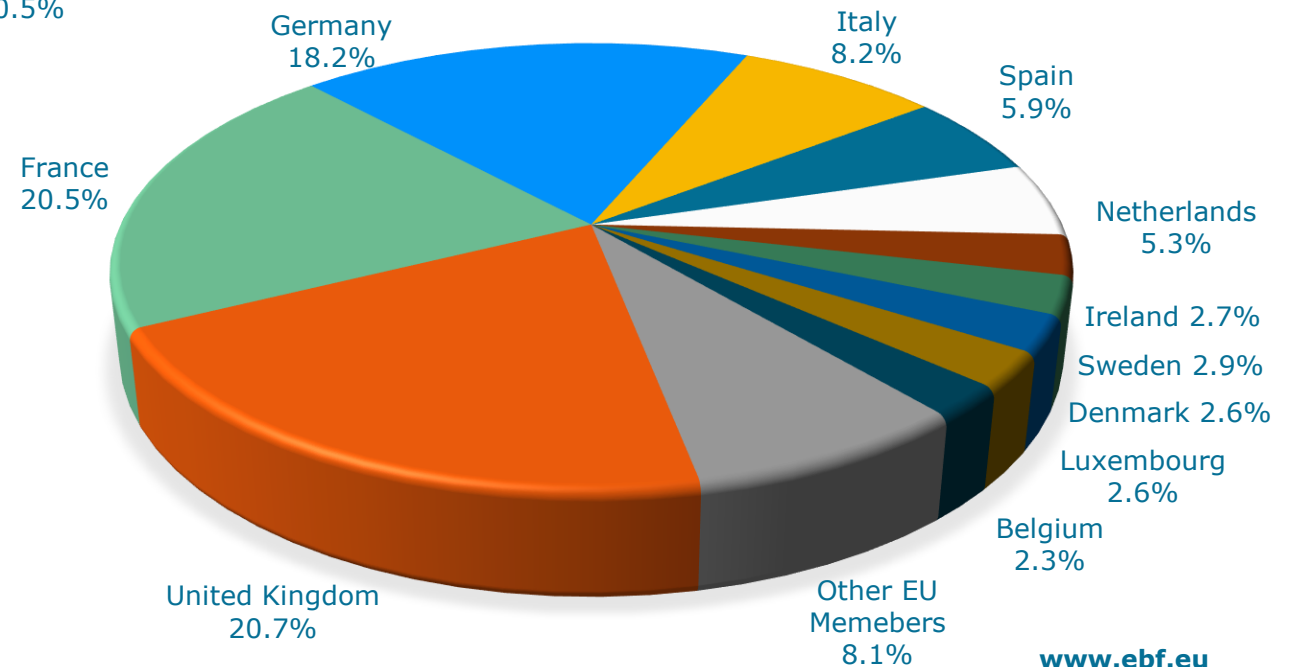
10 Associate Members

Country by country statistics:

Share of total number of credit institutions (EU-28):
5,981



Share of total assets held by banks (EU-28):
€45,550,305 million



Country by country statistics:

Statistical annex

	Number of credit institutions	Assets (€ million)	Loans (€ million)	Deposits (€ million)	Capital and reserves (€ million)	Staff
Austria	521	872,170	588,043	558,715	81,411	71,479
Belgium	85	1,029,819	631,555	696,751	74,032	50,335
Cyprus	29	65,678	44,018	42,841	11,636	8,554
Germany	1,533	8,310,990	5,169,025	5,022,353	619,325	578,596
Estonia	40	28,786	26,004	20,147	4,631	5,425
Spain	197	2,676,897	1,617,161	1,863,044	268,264	173,447
Finland	243	652,258	407,230	243,752	52,931	20,922
France	407	9,321,264	5,696,791	5,060,763	647,319	399,374
Greece	35	309,668	170,873	211,522	57,546	36,727
Ireland	314	1,252,041	374,576	339,042	89,778	27,692
Italy	490	3,724,114	2,363,556	2,698,095	363,539	280,219
Lithuania	84	32,189	28,663	26,592	3,233	10,334
Luxembourg	127	1,163,107	497,033	490,813	62,791	26,334
Latvia	54	22,719	18,145	16,453	3,222	6,915
Malta	25	41,411	19,852	23,731	4,441	5,175
Netherlands	94	2,414,926	1,392,417	1,231,861	145,774	70,000
Portugal	149	388,465	245,292	287,704	49,991	51,060
Slovenia	17	42,666	29,921	33,609	5,041	9,553
Slovakia	27	86,509	65,645	63,927	10,683	19,393
Eurozone	4,471	32,435,677	19,385,800	18,931,715	2,555,588	1,851,534

Euro
Area

Non-
Euro
Area

	Number of credit institutions	Assets (€ million)	Loans (€ million)	Deposits (€ million)	Capital and reserves (€ million)	Staff
Bulgaria	25	61,557	40,280	45,528	9,406	28,238
Croatia	24	60,663	45,458	44,636	10,616	19,563
Czech Republic	58	300,382	220,978	178,865	30,906	39,738
Denmark	98	1,190,218	721,048	363,887	76,302	41,432
Hungary	46	133,285	72,285	87,603	14,458	39,659
Poland	629	491,682	339,058	343,567	71,210	160,878
Romania	75	111,604	68,226	81,032	16,059	53,106
Sweden	155	1,330,719	866,597	539,088	68,000	44,499
United Kingdom	400	9,434,518	4,378,893	4,086,804	645,507	344,076
Non Eurozone	1,510	13,114,628	6,752,823	5,771,010	942,464	771,189
EU-28	5,981	45,550,305	26,138,623	24,702,725	3,498,052	2,622,723

Country by country statistics:

Statistical annex

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Iceland	10	37,745	32,016	20,159	6,276	2,834
Liechtenstein	14	66,480	29,270	41,330	5,930	2,203
Norway	136	645,491	535,898	283,764	41,000	24,357
Switzerland	246	3,055,480	1,550,830	1,971,840	213,340	89,531
EFTA	406	3,805,196	2,148,014	2,317,093	266,546	118,925

EFTA Members

EBF-Associate Members

	Number of credit institutions	Assets (€ million)	Loans (€ million)	Deposits (€ million)	Capital and reserves (€ million)	Staff
Albania	12	12,120	4,710	96,820	14,647	6,366
Andorra	5	14,840	6,094	10,208	1,515	1,359
Armenia	17	10,240	6,600	6,170	1,660	12,537
Azerbaijan	30	17,190	7,830	16,284	2,410	19,460
Bosnia and Herzegovina	23	17,067	10,817	13,196	2,233	9,659
Republic of North Macedonia	15	8,940	5,520	6,590	980	5,932
Monaco	30	132,900	25,690	50,800	/	3,068
Montenegro	13	4,600	3,060	3,480	600	2,344
Serbia	26	34,600	20,820	25,110	5,870	23,087
Turkey	51	674,218	398,794	385,298	73,908	207,715
Associates	222	926,715	491,755	613,956	103,823	299,401

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