



"Bank of the Future" **considerations for panel discussion**

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State aid to banks over the past decade

- State aid decisions on banking sector: over 550
- Banks in the EU that received State aid: 119 banks in 22 Member States
- Amounts approved since 2008:

As capital instruments EUR: 1,433 billion

As guarantees and other liquidity instruments: EUR 3,611 billion

- ~ 30% of total banking assets in EU under State aid control during crisis

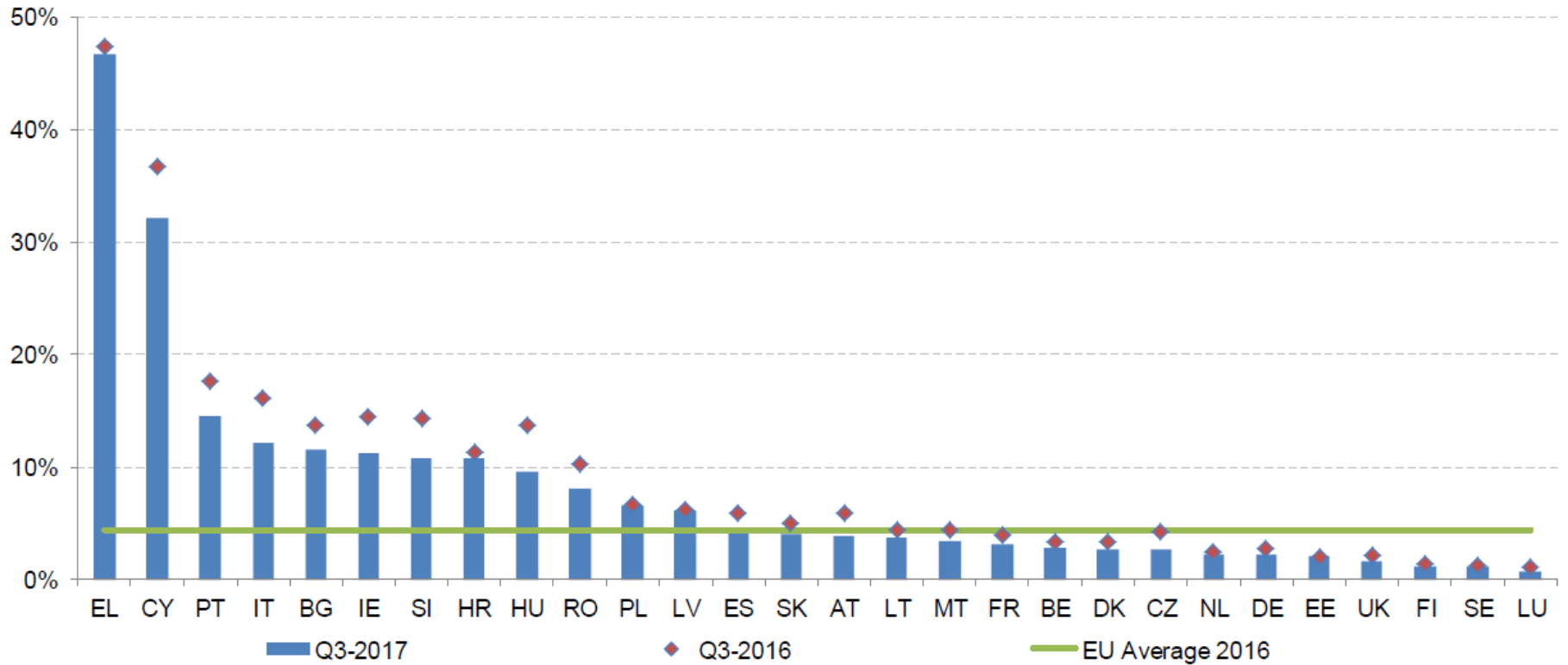
The role of the Commission in Banking Union

- New actors in the Banking Union improving resilience (Single Supervisor) and resolvability (Single Resolution Board)
- Responsibility of the Commission:
 - Single rule book
 - Approval of resolution decisions by SRB
 - Competition enforcement as direct Treaty obligation /
State aid control as the "gatekeeper"

Challenges I

Asset quality: Non-performing loans

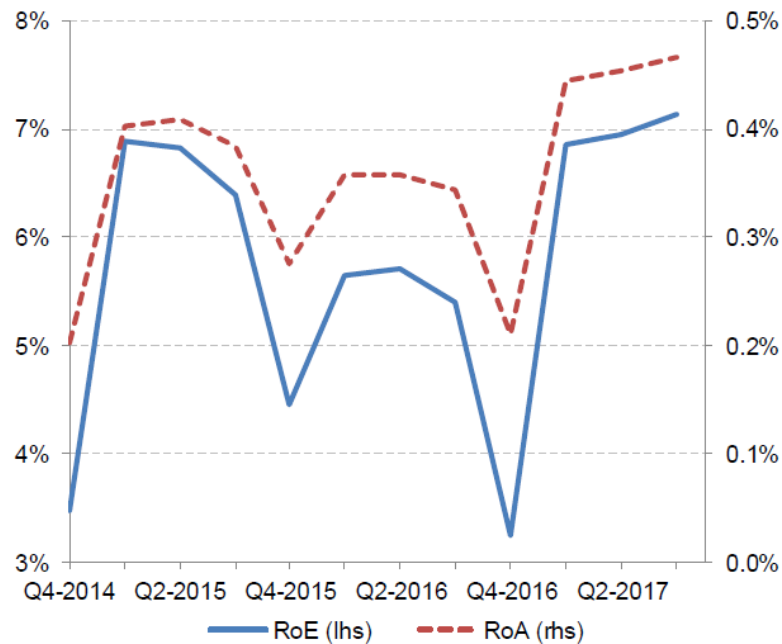
(Source: European Commission: European Financial Stability and Integration Report 2018)



Challenges II

Profitability:

EU banks' average return on assets (RoA) and on equity (RoE)



Commission presented measures concerning the non-performing loans in March 2018

- Ensuring sufficient loss coverage by banks for future NPLs
- Enabling accelerated out-of-court enforcement of loans secured by collateral
- Further developing secondary markets for NPLs
- A technical blueprint for how to set up a national Asset Management Companies

Policies

Competition policy

- State aid control, entry and fair competition to spur innovation and trust

Completing Banking Union

- improving resilience, deepen the Banking Union

Capital Markets Union

- complement Banking Union, private cross-border risk-sharing in the EU, increased shock-absorption capacity

FinTech Action Plan (Digital Single Market)

- support competition and innovation, regulatory convergence ("sandboxes")

Points for thought – "features of a bank in the future?"

- **Banks / capital markets / FinTech**
- **Resilience / financial stability**
- **Maturity transformation**
- **Underwriting / Credit origination / Investment banking**
- **Risk diversification**
- **Payment services**
- **Product (un)bundling / data**