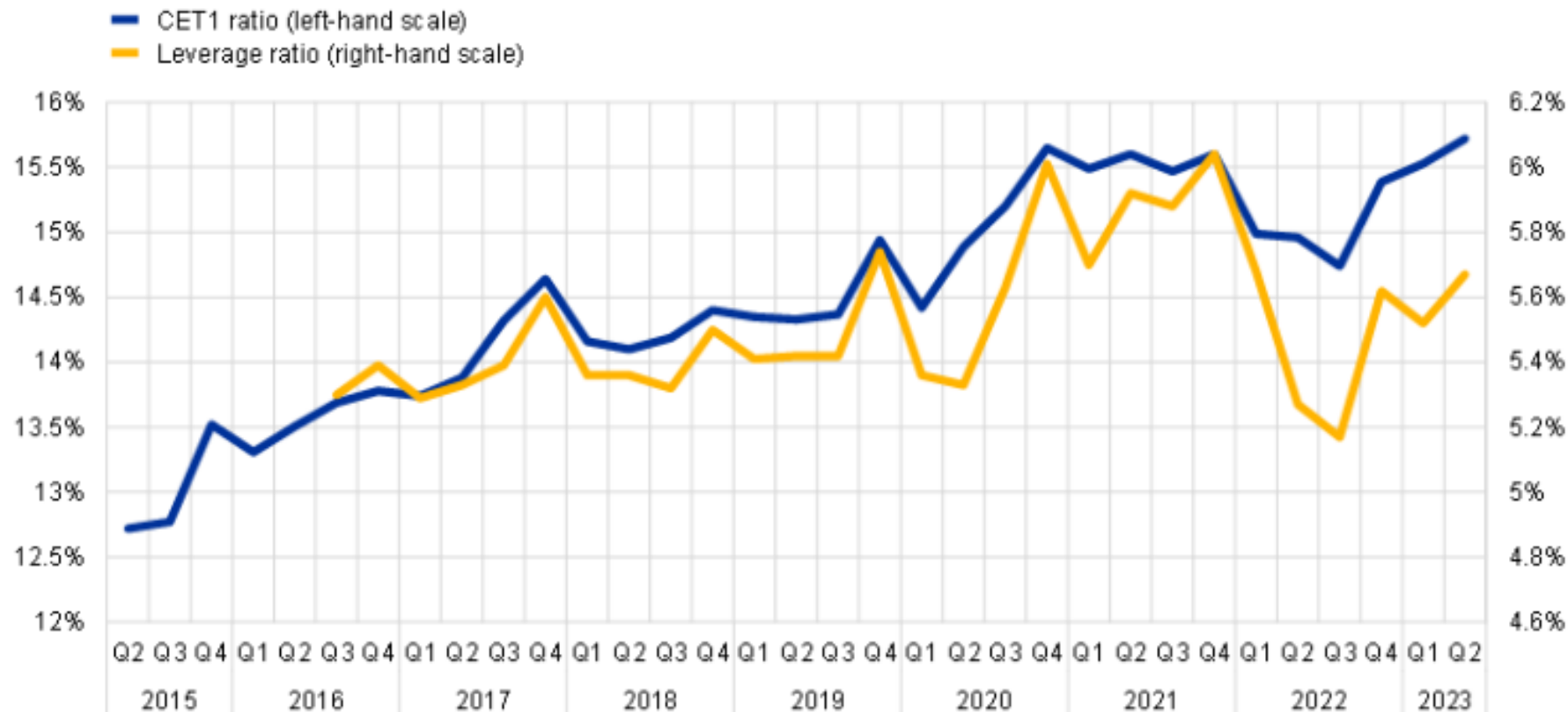


Navigating higher rates, volatility, and liquidity crises: Finance and Regulation in the New Monetary Order

Lorenzo Bini Smaghi

CET1 capital and leverage ratios of significant banks (transitional definition)

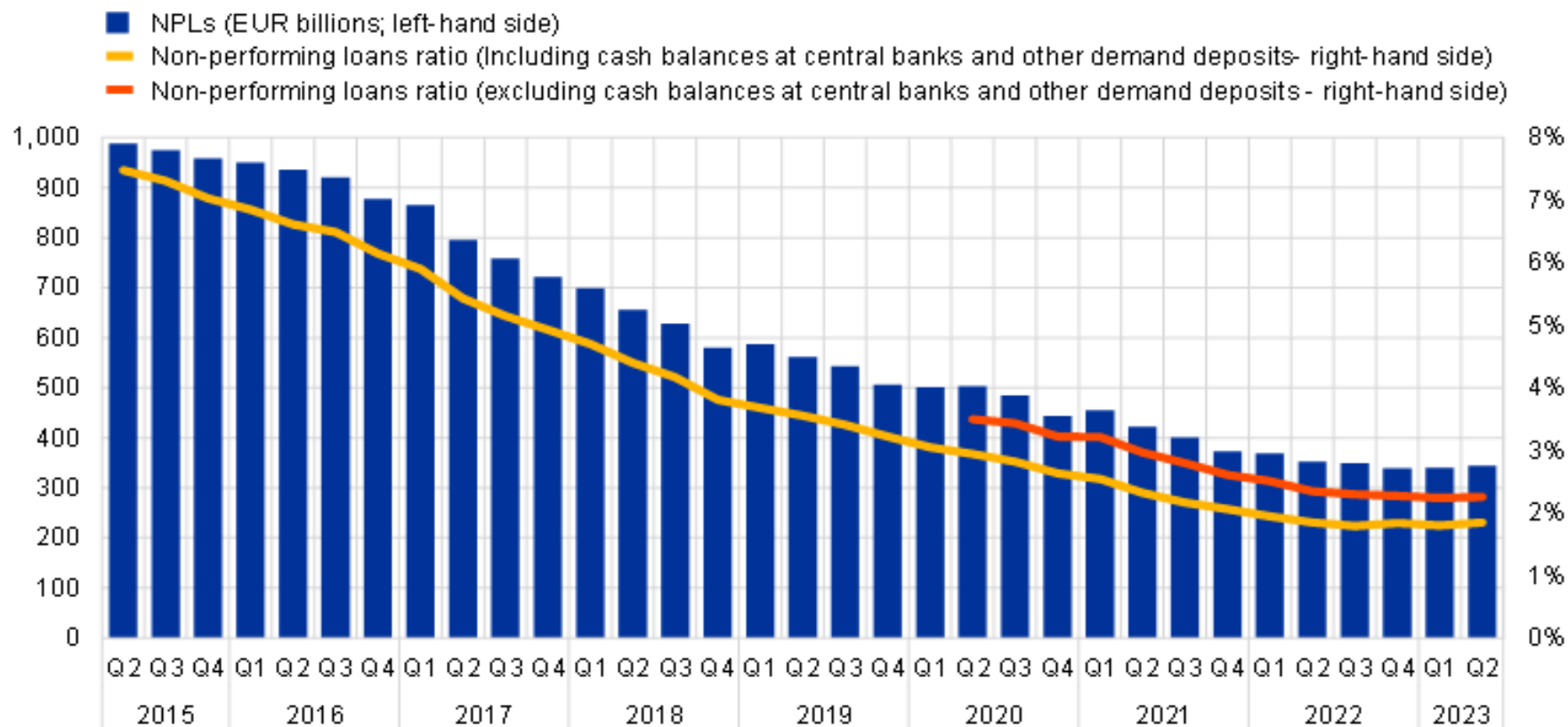
(percentages)



Source: ECB supervisory banking statistics.

Non-performing loans

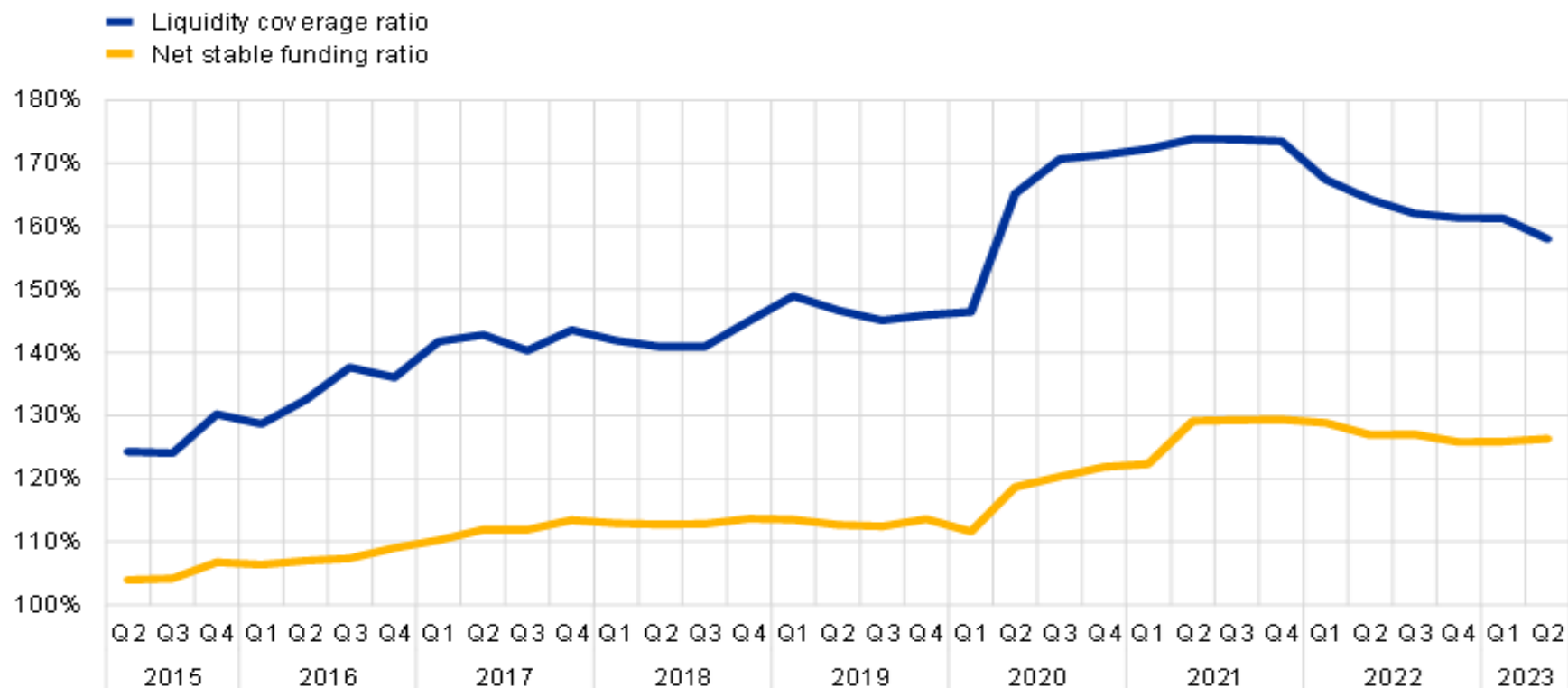
(EUR billions, percentages)



Source: ECB supervisory banking statistics.

Liquidity and funding ratios

(percentages)

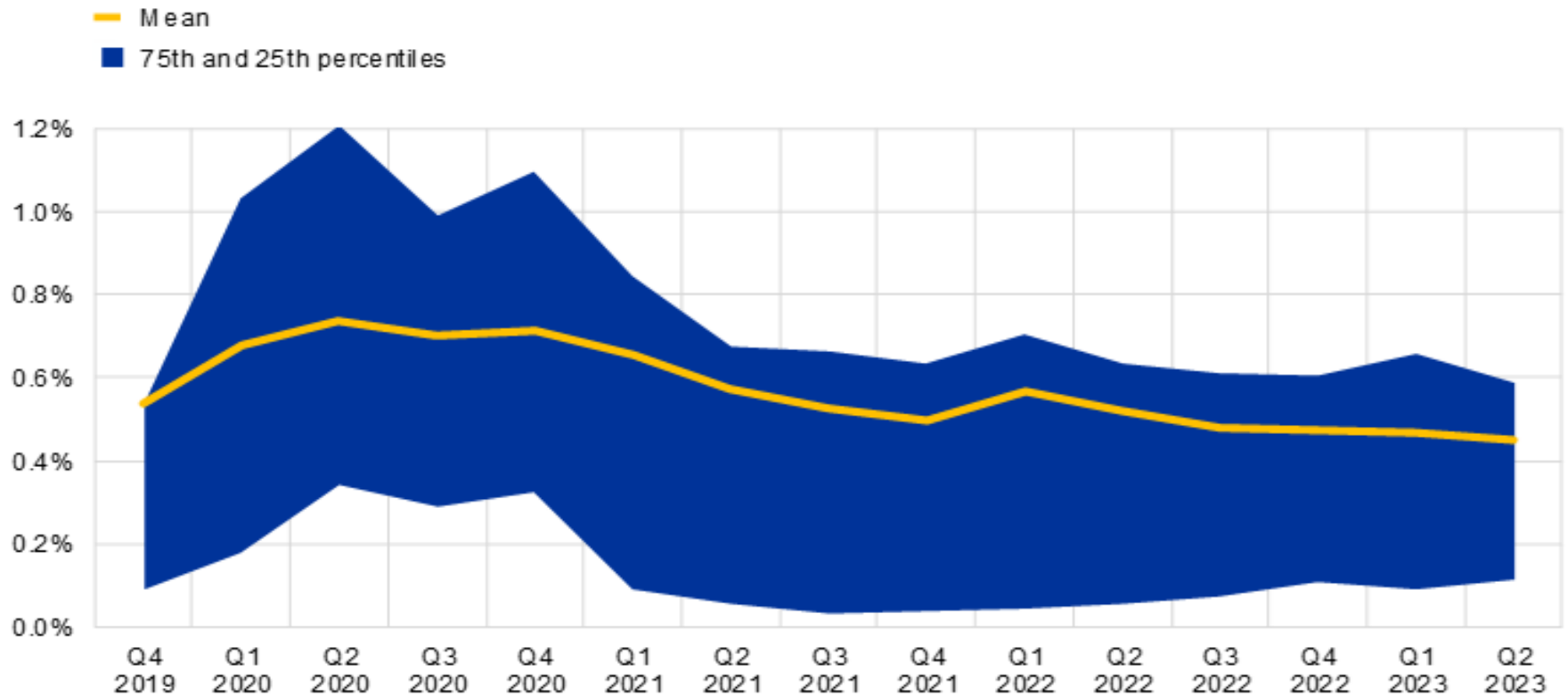


Source: ECB supervisory statistics.

Note: NSFR data prior to the second quarter of 2021 and LCR data prior to the third quarter of 2016 are derived from short-term exercise data.

Cost of risk

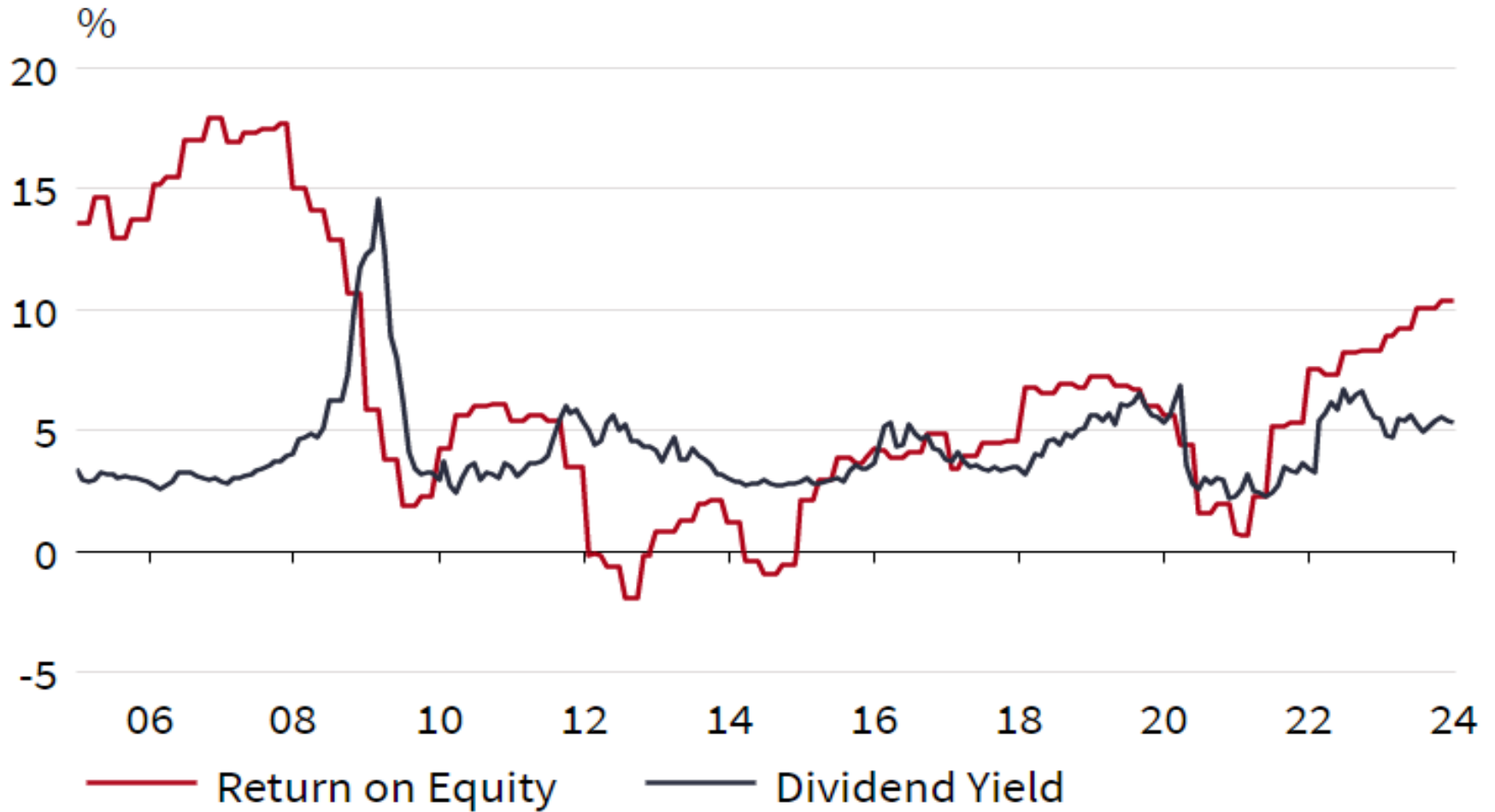
(percentages)



Source: ECB supervisory statistics.

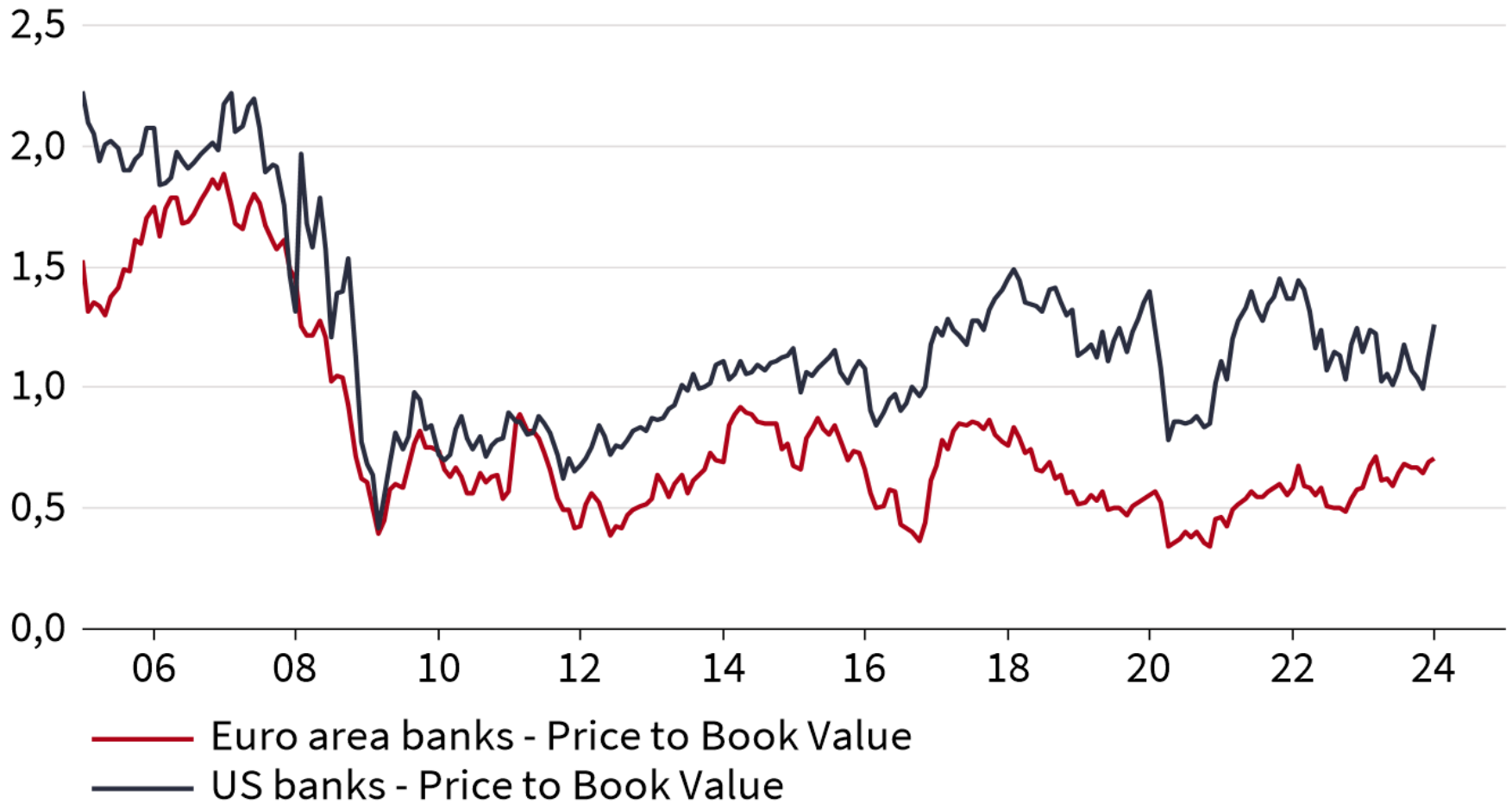
Notes: The mean represents an average across significant banks weighted by total loans and advances.

Euro area - Banks profitability



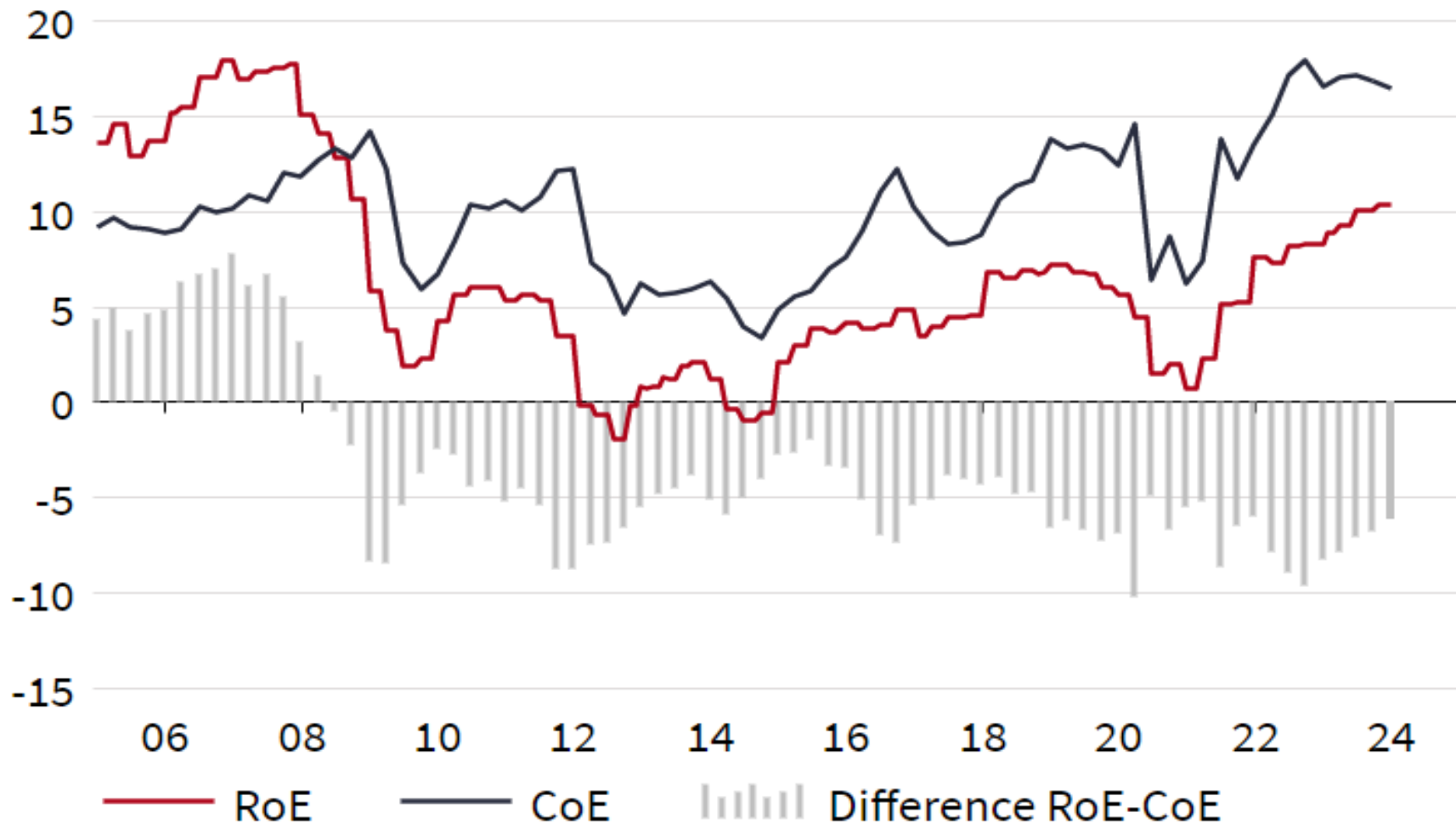
Source: Refinitiv Eikon

Banks - Price to book



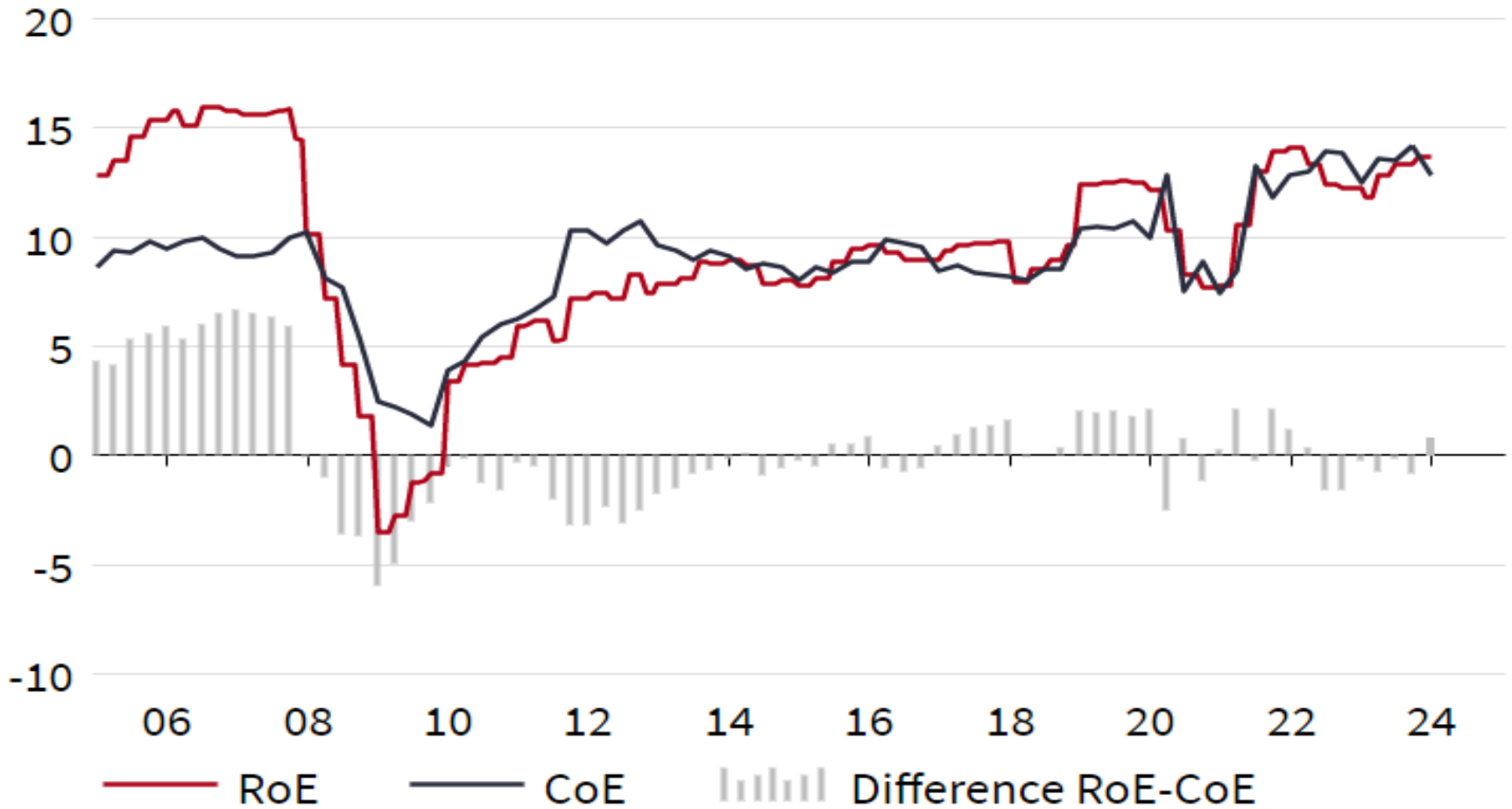
Source: Refinitiv Eikon

Euro Area banks - RoE & implicit CoE



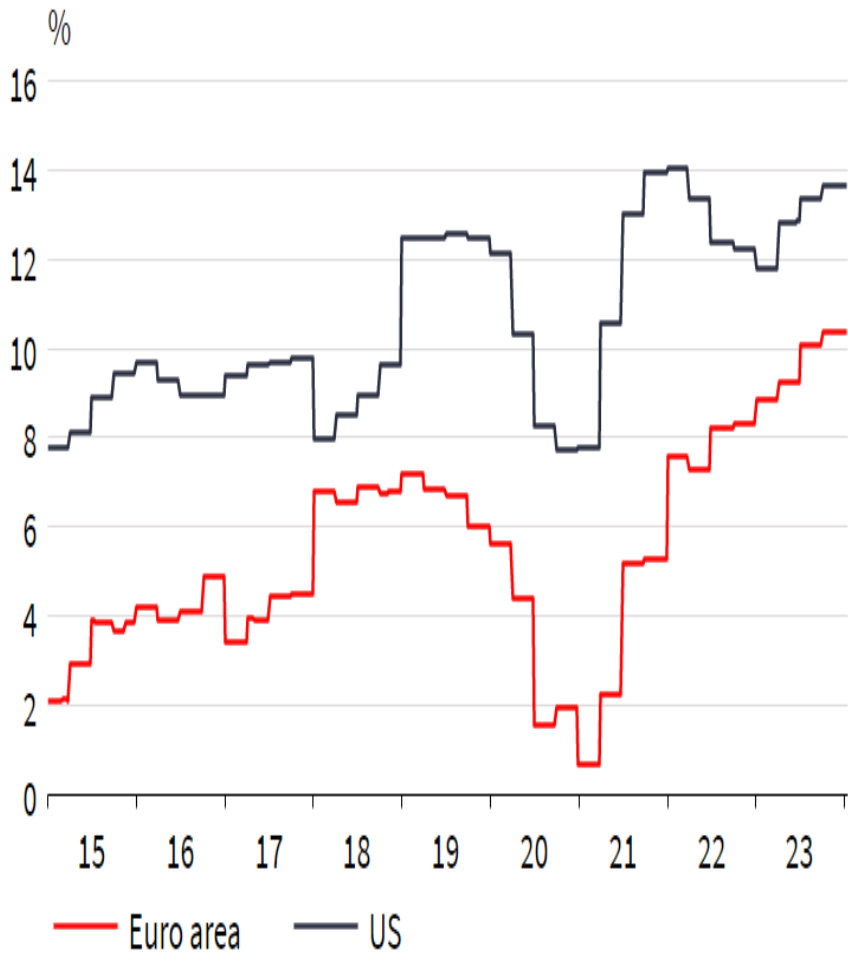
Source: Refinitiv Eikon, SG Economic and Sector Studies

US banks - RoE & implicit CoE

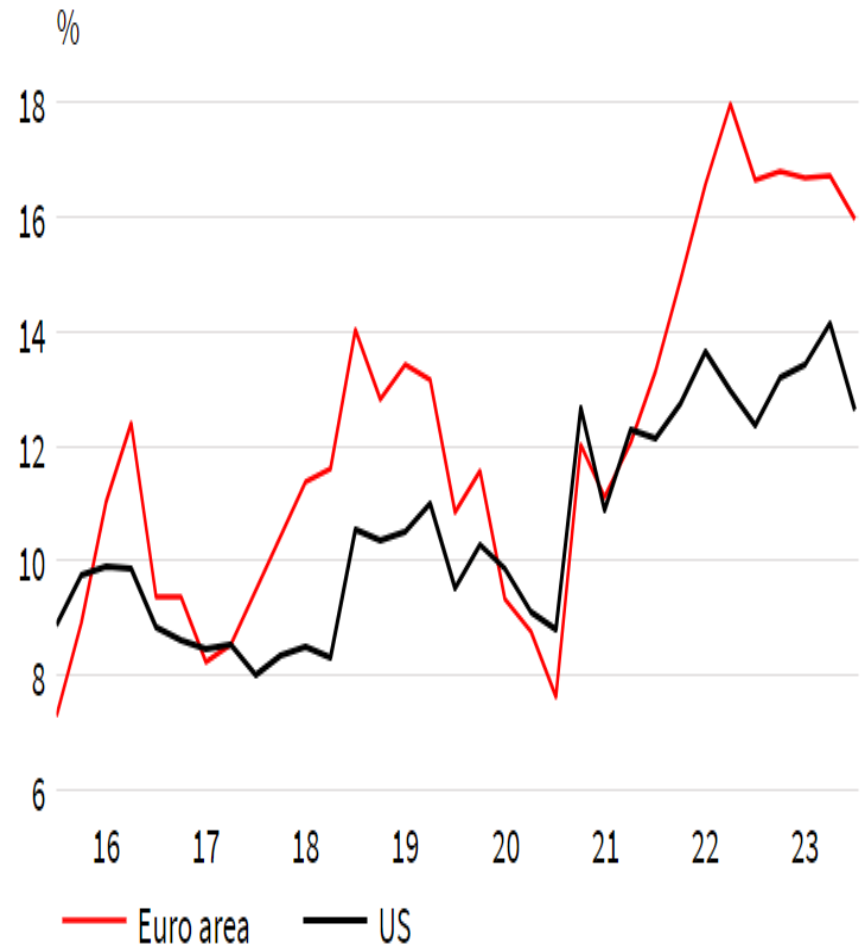


Source: Refinitiv Eikon, SG Economic and Sector Studies

Banks - RoE



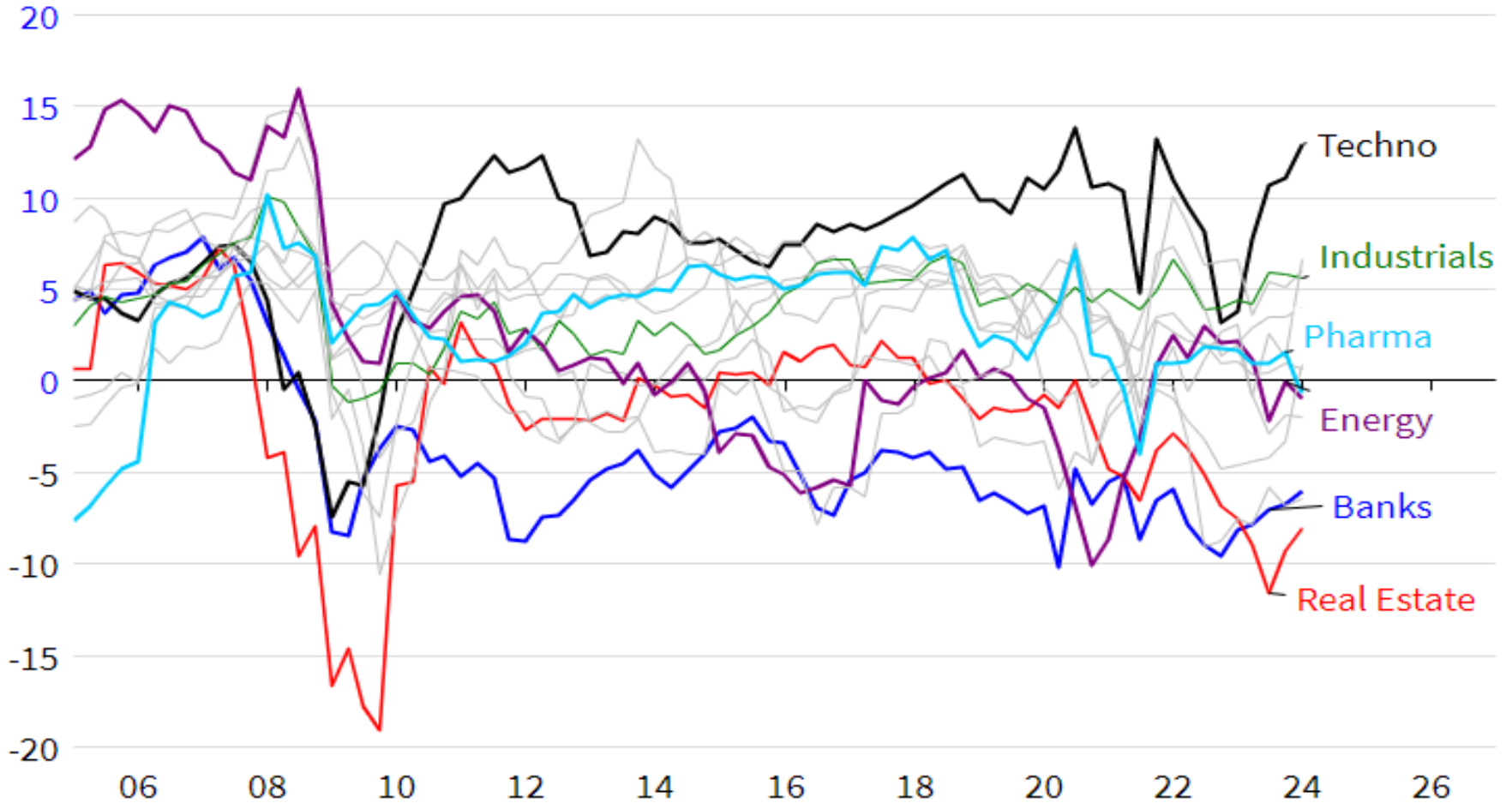
Banks - Implicit CoE



Source: Refinitiv Eikon, SG Economic and Sector Studies

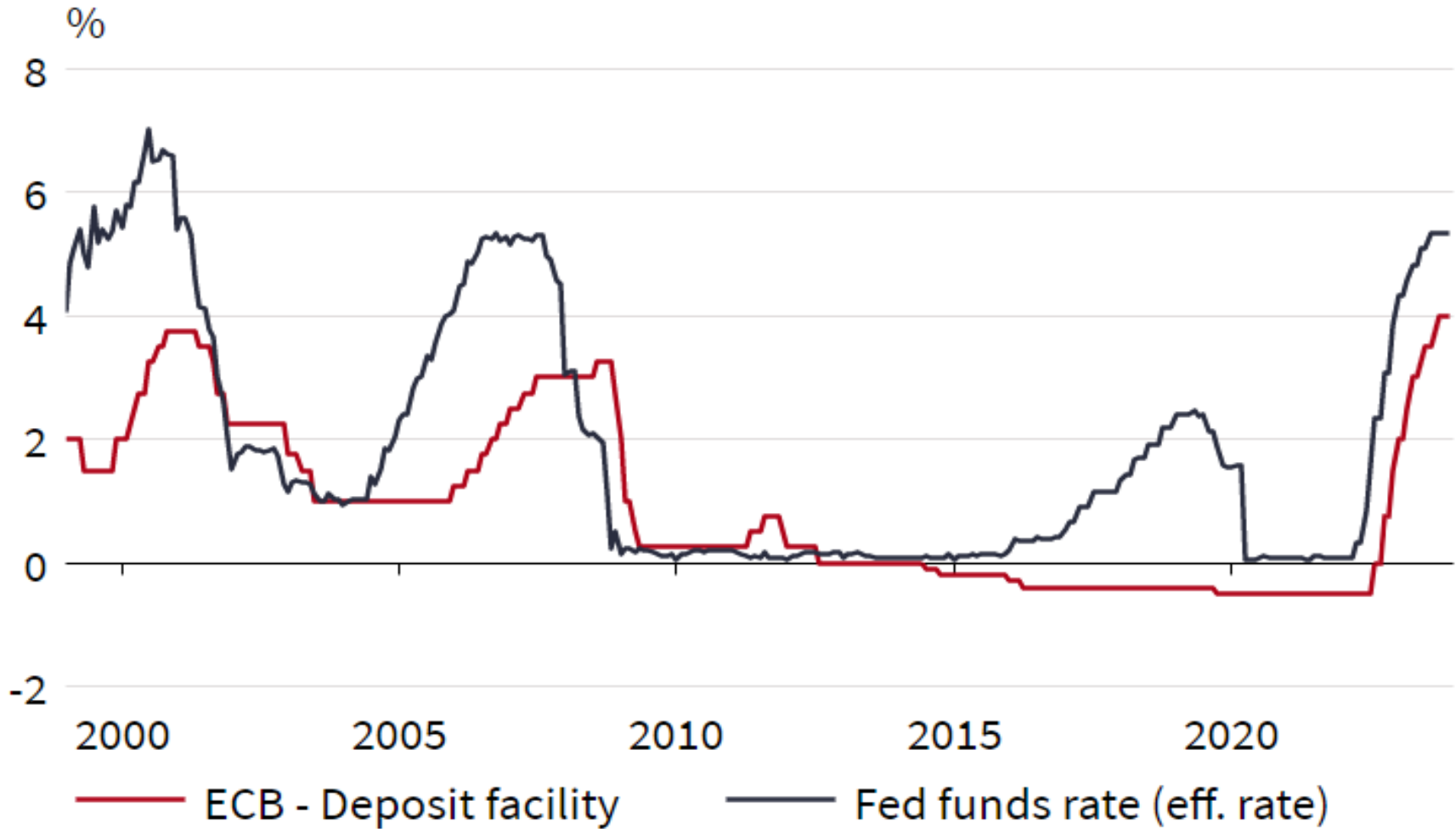
Euro area - RoE vs implicit CoE

Difference, percentage points



Source: Refinitiv Eikon, SG Economic and Sector Studies

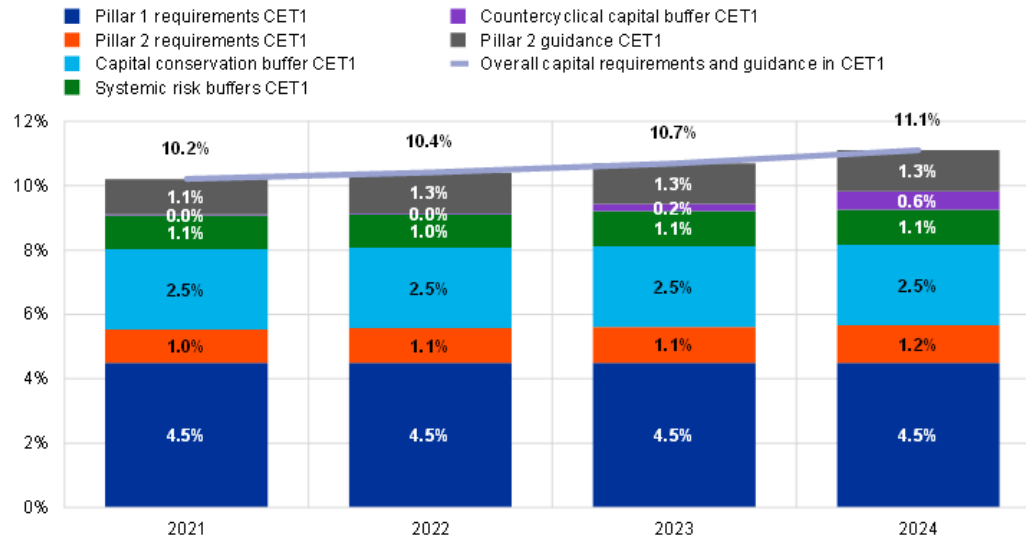
Policy rates




Source: Refinitiv Eikon

Evolution of overall capital requirements and P2G in CET1

(percentages of RWA)



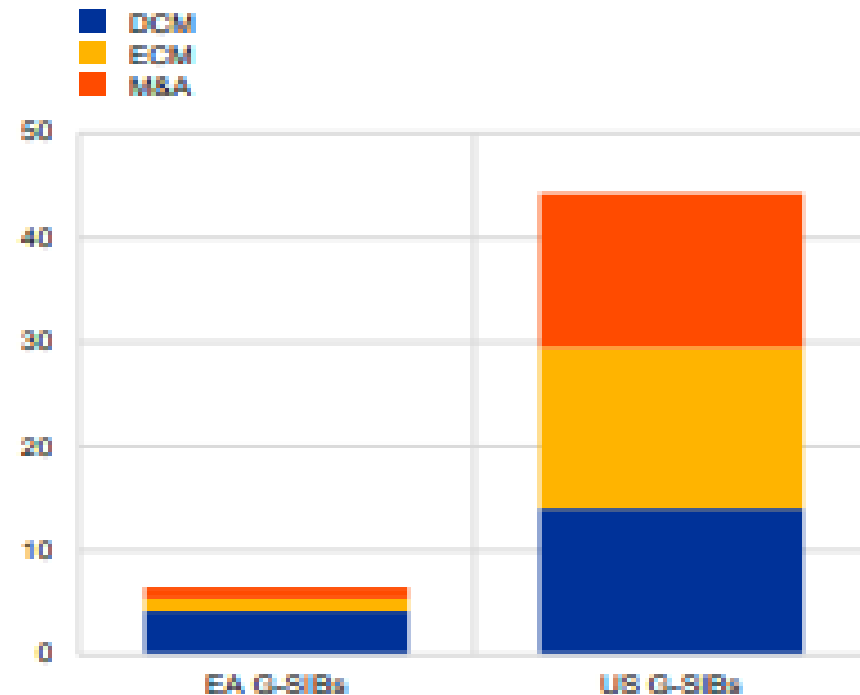
Source: ECB supervisory banking statistics and SREP database.

Notes: The sample selection follows the supervisory banking statistics (SBS)  methodological note for 2021 (the first quarter of 2021 SBS sample based on 114 entities), 2022 (the first quarter of 2022 SBS sample based on 112 entities) and 2023 (the first quarter of 2023 SBS sample based on 111 entities). For 2024, the sample is based on 107 entities with applicable P2Rs in January 2024. The chart shows RWA-weighted data as at the second quarter of 2023. "Overall capital requirements" means Pillar 1 minimum requirements + Pillar 2 requirements + combined buffer requirement (capital conservation buffer + systemic buffers (G-SII, O-SII, systemic risk buffer) + CCyB). The reference date for the combined buffer requirement is the first quarter of in each year. For the first quarter of 2024 the buffers are estimated based on announced rates applicable at this date. P2G is added on top of overall capital requirements. Under CRD V, P2R capital should have the same composition as Pillar 1, i.e. at least 56.25% should be CET1 and at least 75% Tier 1.

Revenues and market share of investment banking (IB) activities

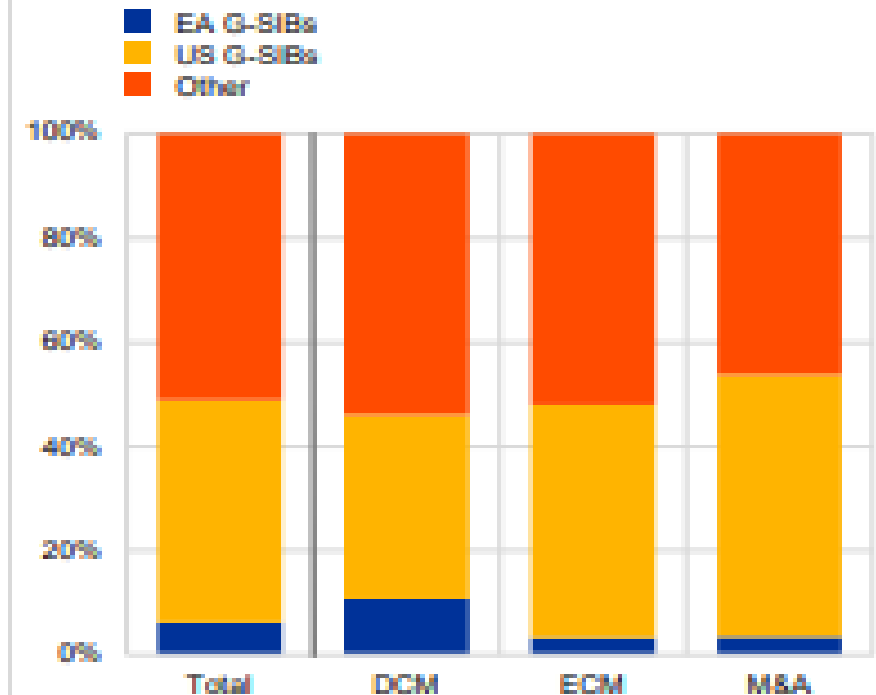
a) Total revenues from IB activities by segment

(2021; EUR billions)



b) Market share on IB activities by segment

(2021; % of total global revenues)



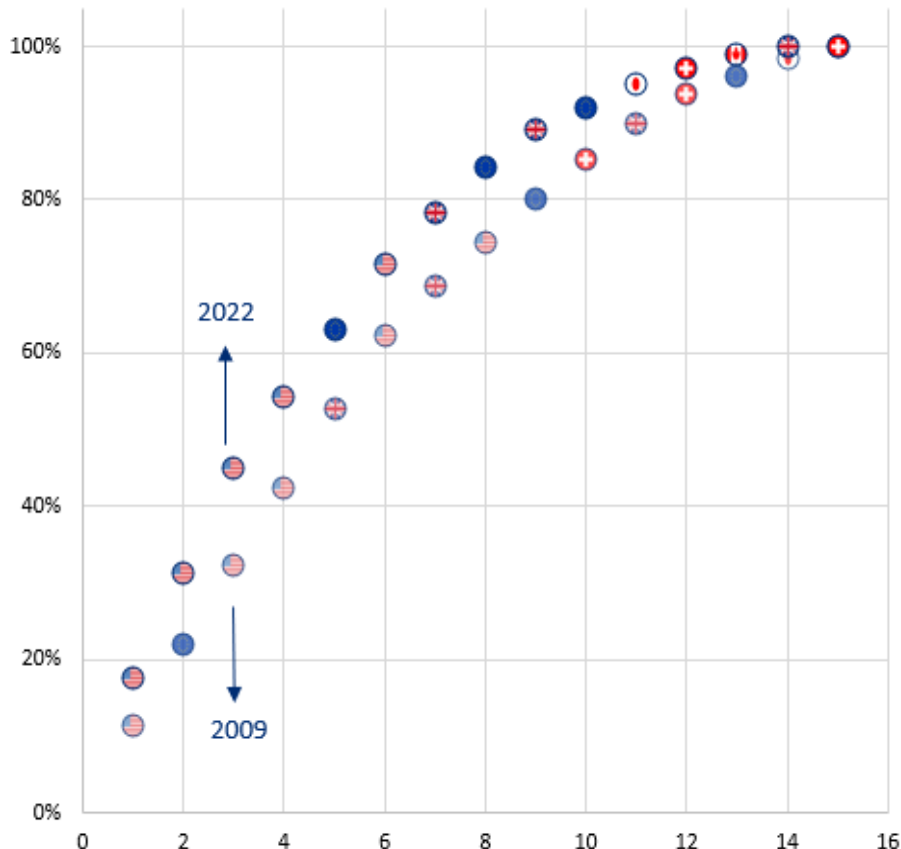
Sources: Coalition Greenwich and ECB calculations.

Note: The sample comprises EA (excluding BPCE Group due to data availability) and US G-SIBs (excluding Bank of New York Mellon Corporation and State Street corporation due to data availability).

Equity Sales and Trading: Market share by Revenues



FICC Sales and Trading: Market share by Revenues



Nationality of the top investment banks ranked by revenues