UPDATE ON THE EBA REPORT ON LIQUIDITY MEASURES UNDER ARTICLE 509(1) OF THE CRR – RESULTS BASED ON DATA AS OF 30 JUNE 2018

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EBA EUROPEAN BANKING AUTHORITY

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Abbreviations

CCP	central counterparty
CIU	collective investment undertaking
COREP	Common Reporting Framework
CRR	Capital Requirements Regulation
DR	Delegated Regulation
EBA	European Banking Authority
ECB	European Central Bank
EHQCB	extremely high-quality covered bond
ESRB	European Systemic Risk Board
EU	European Union
EUR	euro
FINREP	Financial Reporting Framework
FX	foreign exchange
GBP	pound sterling
GSII	global systemically important institution
HQCB	high-quality covered bond
HQLA	high-quality liquid assets
LCR	liquidity coverage ratio
O-SII	other systemically important institution
PSE	public sector entity
SMEs	small and medium-sized enterprises
USD	United States dollar

Executive summary

The objective of the report is to monitor banks' short-term liquidity risk profiles.

The objective of the report is to provide a biannual update on the monitoring of the liquidity coverage requirements. The analysis is based on the Common Reporting Framework (COREP) data of June 2018.

On average, the LCR is well above the minimum requirements.

The weighted average liquidity coverage ratio (LCR) across banks is 146% and it has increased since September 2016[1]. In June 2018, there were only four banks with LCR levels below 100%, as they monetised their liquidity buffers during times of stress[2]. The LCR levels of global systemically important institutions (GSIIs) (142%) and other systemically important institutions (O-SIIs) (144%) are lower than that of other banks (167%). The breakdown by country shows that the average LCR level for the majority of the countries is within the 100-200% range, although there are some differences in terms of the dispersion of banks' LCR levels within countries. Banks are also well above the 100% requirement, regardless of their business models, but again the dispersion of banks' LCR levels within business models differs.

LCR levels considering items denominated exclusively in US dollars are, in general, lower.

Several banks continue to finance some of their assets in a different currency from the one in which they are denominated. There is an inherent currency risk in the LCR, and the regulation requires banks to ensure that the currency denomination of their liquid assets is consistent with the distribution by currency of their net liquidity outflows. Among the significant foreign currencies, the United States dollar (USD) is the one that shows lowest LCR levels. As the ability of banks to swap currencies and to raise funds in foreign currency markets may be constrained during times of stress, significant currency mismatches are a major concern.

In applying Article 8(6) of the LCR DR[3], competent authorities may consider making greater use of their discretion to restrict currency mismatches by setting limits on an excess of net outflows denominated in a significant reporting currency.

[1] First reference date for which COREP data, based on the LCR DR, are available.
[2] The possibility of monetising liquid assets during times of stress (resulting in an LCR below 100%) is set out in Article 412(1) of the CRR (and Article 4(3) of the LCR DR) as maintaining the LCR at 100%, which, under such circumstances, could produce undue negative effects on the credit institution and other market participants.
[3] Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions Text with EEA relevance.

1. Introduction

As part of the CRR [4] mandate, the EBA monitors and evaluates the liquidity coverage requirements on an annual basis (pursuant to Article 415(1)) based on year-end figures. In this regard, the EBA takes into account the potential impact of these requirements on the business and risk profiles of banks, on the stability of financial markets, on the economy and on the stability of the supply of bank lending (Article 509(1) of the CRR). The current report provides a biannual update of the monitoring of the liquidity coverage requirements in order to give information about the key liquidity measures based on second quarter figures.

This update is less detailed than the year-end report and provides an analysis of the short-term resilience of banks' liquidity risk profiles as well as the potential liquidity coverage and outflow risks that banks face in a specific significant foreign currency[5]. The analysis is based on COREP data, as of June 2018, for a sample of 140 banks (178 banks including subsidiaries) within the 28 EU Member States and 2 EEA/EFTA countries[6].

Aggregated figures and charts in this report are based on data reported at the highest level of consolidation, with the exception of the analyses concerning banks' business models and countries (which also include subsidiaries).

The sample covers global systemically important institutions (GSIIs) and other systemically important institutions (O-SIIs), as well as other banks, and provides breakdowns by different business models across the EU. In terms of total assets, the sample covers approximately EUR 30 trillion (EUR 31 trillion including subsidiaries) which represents, on average, 81% of the EU banking sector[7]. Country data should be interpreted with caution because of differences in the representativeness of the sample across countries, which affect data comparability.

[4] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 321, 30.11.2013, p. 6).
[5] See definition of significant and foreign currency in section 4.
[6] Banks included in the sample reported not only LCR COREP data but also the amount of total assets using the Financial Reporting Framework (FINREP) or ad hoc collection when FINREP data were not available. If a bank has not reported the amount of total assets, it has not been included in the analysis.
[7] The information on total assets of the EU has been obtained from the Statistical Data Warehouse of the European Central Bank (ECB).

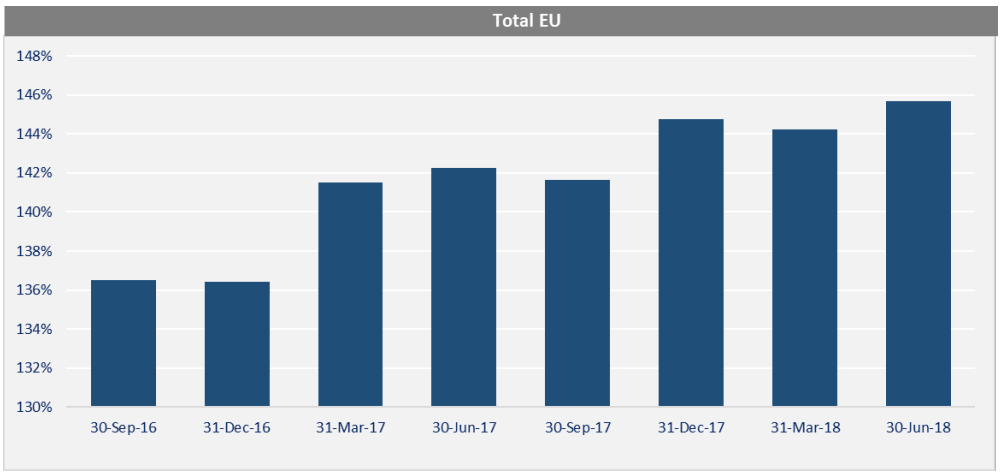
2. Analysis of the LCR and its components

Trends in the LCR

Liquidity coverage requirements are intended to ensure banks' short-term resilience to potential liquidity disruptions. Banks should hold liquid assets to cover net liquidity outflows over a stress period of 30 calendar days and should maintain an LCR of at least 100%[8]. The LCR minimum requirement has been set at 60% since 1 October 2015 and reached 100% in January 2018.

In June 2018, the weighted average LCR for the sample of banks used for this report was 146% (Figure 1). An analysis of the trend[9] shows that banks have made significant efforts to increase the level of the LCR and to reduce the shortfall in liquid assets. The LCR, on average, has been above 100% since September 2016 and banks have increased it by approximately 100 basis points since December 2017. Accordingly, the aggregate liquidity shortfall decreased from over EUR 26.7 billion in September 2016 to EUR 22.5 billion in June 2018. The number of banks with a shortfall decreased from seven in September 2016 to four in June 2018.

Figure 1: LCR evolution (weighted average)



On average, GSIIs and O-SIIs have lower LCRs (142% and 144%, respectively) than other banks (177%). In the sample, only four banks out of 140 (excluding subsidiaries) did not meet the 100% fully phased-in LCR minimum requirement.

[8] Pursuant to Article 412 of the CRR and Article 4(3) of the Commission Delegated Regulation (EU) 2015/61, credit institutions can make use of their liquid assets to cover their net liquidity outflows under stressed circumstances, even if such a use of liquid assets may result in their liquidity coverage ratio falling below 100% during such periods. However, as further specified in Article 414 of the CRR and Article 4(4) of Commission Delegated Regulation (EU) 2015/61, where credit institutions do not meet or expect not to meet the requirement, including during times of stress, they shall immediately notify the competent authorities and shall submit, without undue delay, to the competent authorities a plan for the timely restoration of compliance.

[9] Time-series analysis is based on a consistent sample of 112 banks (excluding subsidiaries, as results are shown for total EU, GSIIs and O-SIIs) when the analysis shows volumes or comparisons with previous references dates. In all other analyses, the sample is the one used in the cross-sectional analyses, which include all banks that submitted data on the latest reporting date.

The majority of countries have LCR levels between 100% and 200%. Nevertheless, some countries, such as Bulgaria, Romania and Slovenia, show LCR average levels above 300%. Cyprus, Latvia and Lithuania show ratios above 200%, while Greece[10] shows LCR average levels below 100%.

Figure 2: LCR across countries

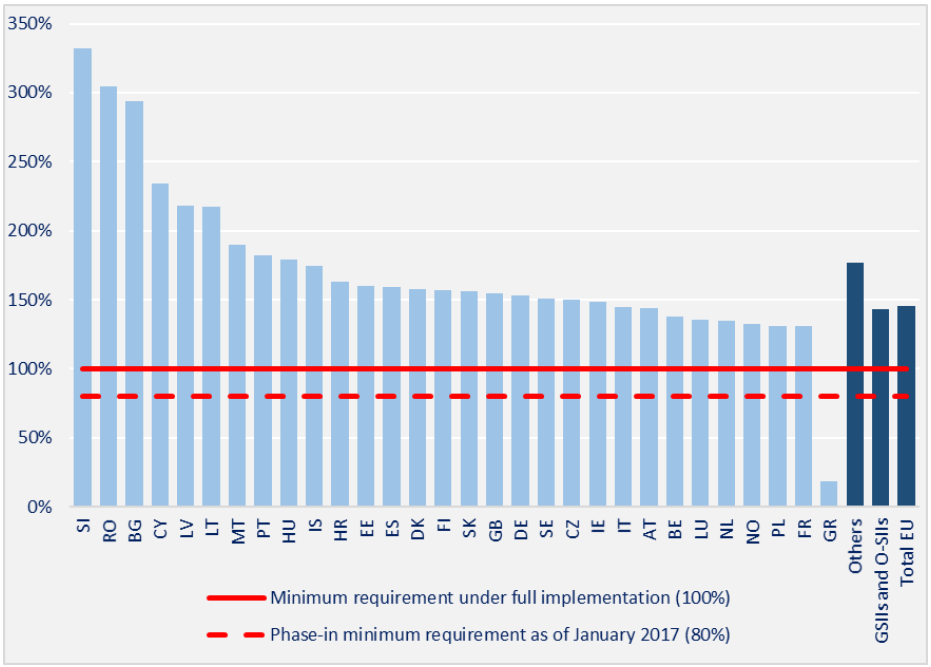
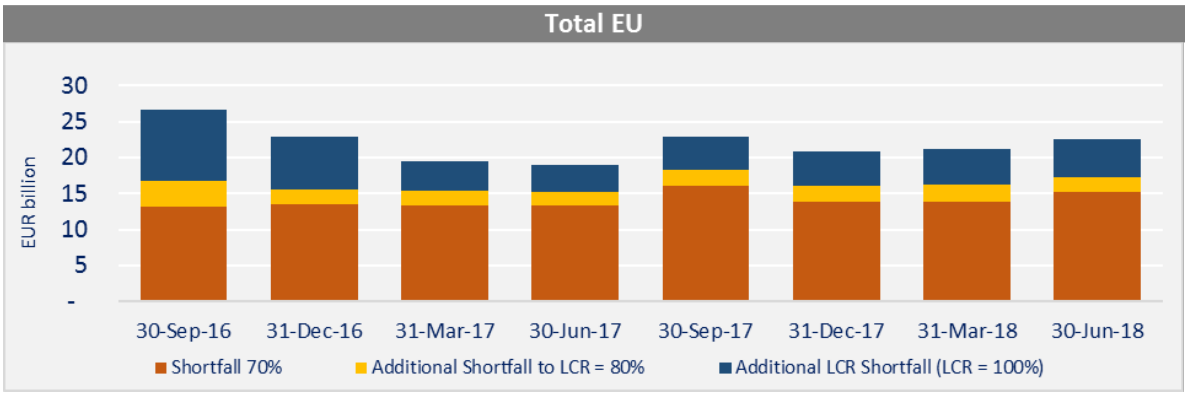


Figure 3: Changes in liquidity shortfall (EUR billion) – balanced sample



[10] As a result of the sovereign debt crisis, Greek credit institutions monetised their LCR liquidity buffer, resulting in LCR levels below the 100% minimum requirement. The possibility of monetising liquid assets during times of stress (resulting in an LCR below 100%) is set out in Article 412(1) of the CRR (and Article 4(3) of the LCR DR), as maintaining the LCR at 100% under such circumstances could produce undue negative effects on the credit institution and other market participants. In accordance with Article 414 of the CRR (and Article 4(4) of the LCR DR), Greek credit institutions were required to submit plans for restoring compliance with the LCR requirement.

The efforts that banks have made to increase their LCR levels are also reflected in the changes in the liquidity shortfall (Figure 3)[11], which, based on the fully loaded LCR minimum requirement (100%), decreased from over EUR 26.7 billion in September 2016 to EUR 22.5 billion in June 2018[12]. Consequently, the number of banks with an LCR below 100% at the latest reporting date also declined from seven in September 2016 to four in June 2018.

Since September 2016, banks already compliant with the LCR minimum requirement have further improved their surplus, indicating additional efforts in strengthening their liquidity profiles.

The four banks with a shortfall in June 2018 were GSIIs/O-SIIs. The number of non-GSIIs/non-O-SIIs with shortfall reduced from five in September 2016 to zero in June 2018.

Composition of liquid assets

Regulation differentiates between assets of extremely high liquidity and credit quality (or Level 1 assets), and assets of high liquidity and credit quality (or Level 2 assets). Level 1 assets may comprise cash and central bank reserves, as well as securities in the form of assets representing claims on or guaranteed by central or regional governments, local authorities or PSEs. The EU regulation, unlike the Basel III framework, also considers promotional banks' assets in the Level 1 liquidity buffer. In addition, it provides for greater recognition of extremely high-quality covered bonds (EHQCBs), which may be included in Level 1 assets (unlike the Basel III framework).

Level 2 assets are divided into Level 2A and Level 2B assets. Level 2A assets are considered more liquid than Level 2B assets and, therefore, are subject to lower haircuts. The EU framework allows Level 2 assets to include exposures in the form of high-quality covered bonds (HQCBs), certain asset-backed security securitisations, and units or shares in collective investment undertakings (CIUs).

The largest part of liquidity buffers consists of Level 1 assets in the form of cash and central bank reserves and securities (and also EHQCBs). GSIIs and O-SIIs, on average, tend to hold higher shares of central bank reserves and lower levels of EHQCBs than other banks. Overall, the liquidity buffer (before the application of the cap on liquid assets) is approximately 16.1% of total assets; 16.3% for GSIIs and O-SIIs (Figure 4).

Article 17 of the LCR DR sets the minimum requirements for the composition of the liquidity buffer by asset level. A minimum of 30% of the liquidity buffer is to be composed of Level 1 assets, excluding EHQCB. Aggregate Level 2 assets should not account for more than 40%, and Level 2B assets should not account for more than 15% of a bank's total stock of HQLA.

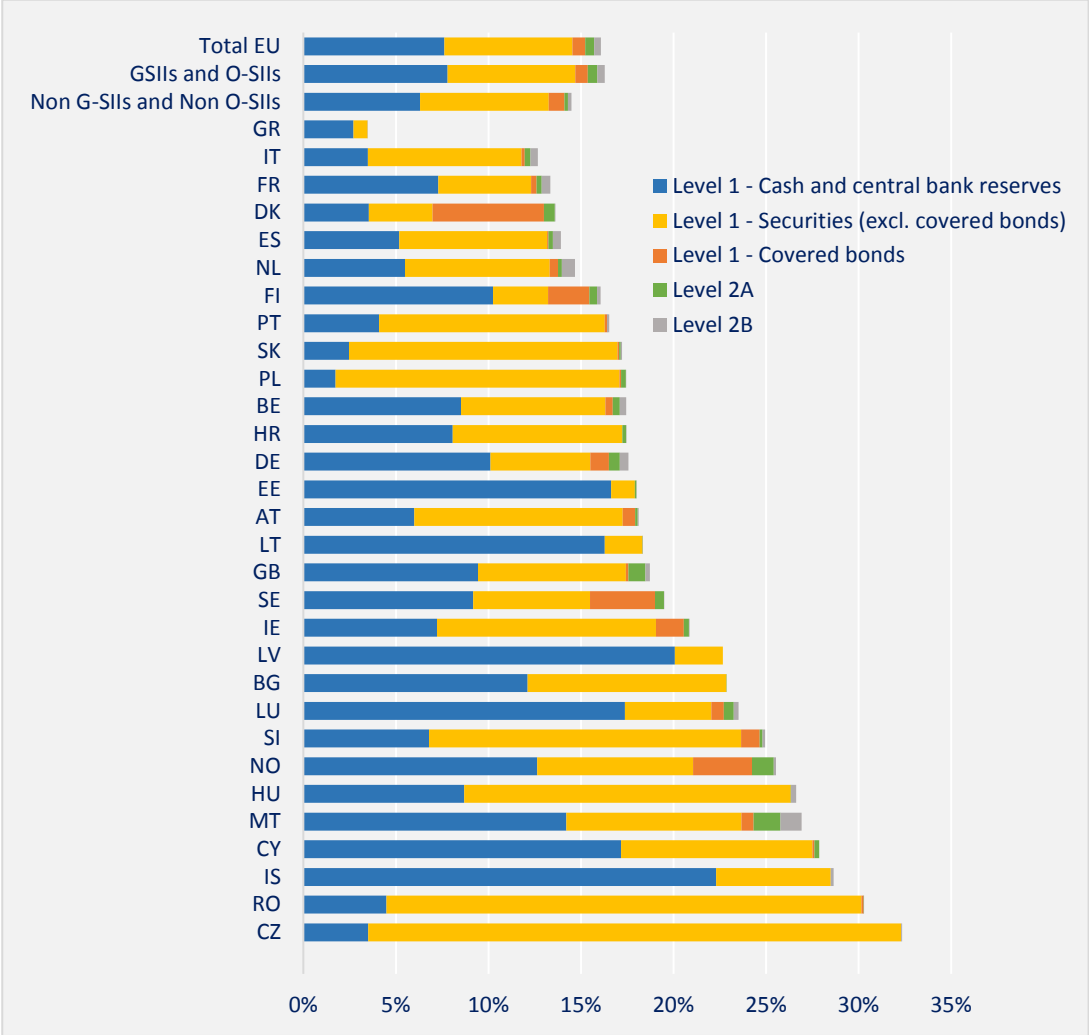
[11] The shortfall calculated in this report is the sum of differences between the net liquidity outflows and the stock of HQLA for all banks with an LCR below the minimum requirement. The calculation of shortfall does not account for the offsetting effect of the aggregate surplus, arising from those banks that already meet or exceed the minimum requirement. Therefore, no reallocation of liquidity between individual banks or within the banking system is assumed.
[12] Note that the time-series analysis showing volumes is based on a consistent sample of banks that submitted data for all reporting dates.

On average, liquid assets before the cap on liquid assets consist mainly of Level 1 assets (more than 94% or more than 90%, excluding EHQCBs, of the total liquidity buffer).

Within Level 1 assets, the proportion of cash and central bank reserves (47%) is slightly higher than securities (42%), but only for GSIIs and O-SIIs. For other banks, securities (48%) are a higher proportion than cash and central bank reserves (44%), and EHQCBs also represent a higher proportion of Level 1 assets (6%, compared with 4% for GSIIs and O-SIIs). Eligible assets in Level 2 assets represent only 5% for GSIIs and O-SIIs and 2.7% for other banks (of the total liquidity buffer).

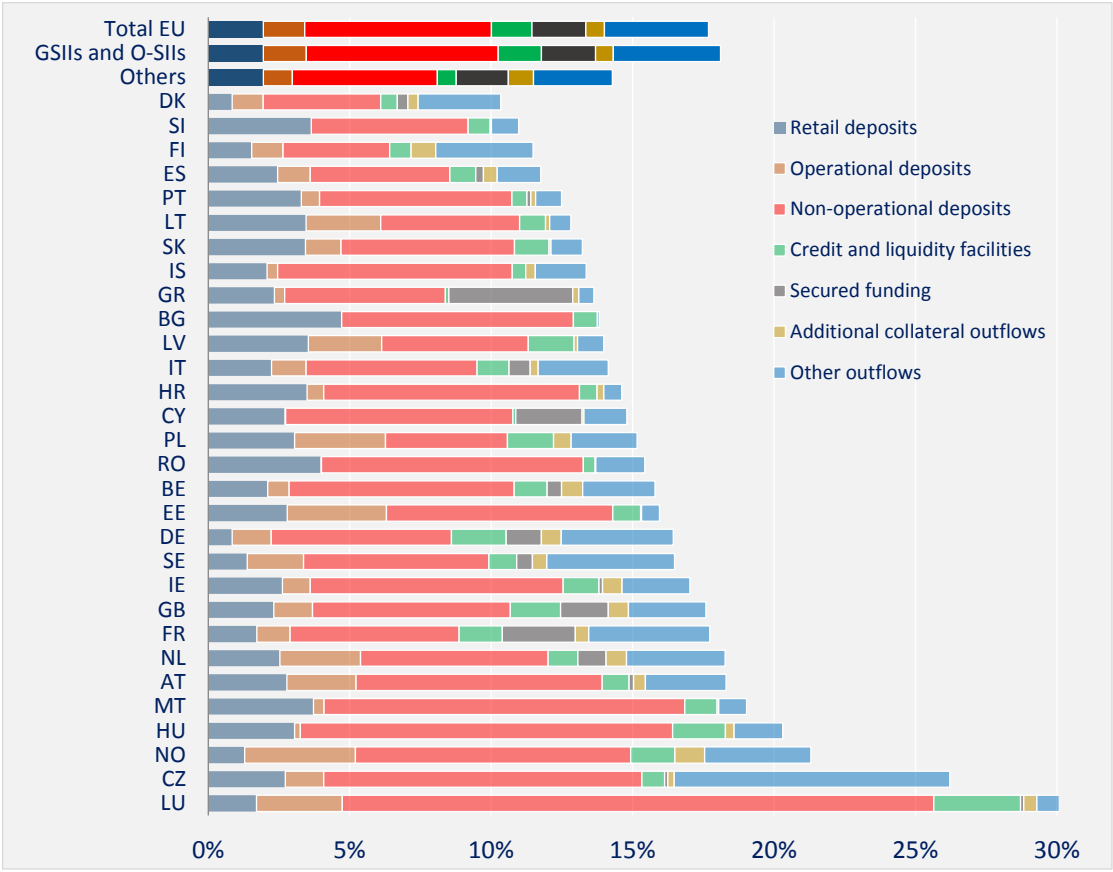
The composition of the liquid assets reflects differences between EU countries. While liquidity buffers comprise mainly Level 1 assets in all countries, banks in half of the countries rely largely on Level 1 securities (excluding covered bonds); banks in the other half rely on cash and central bank reserves. On average, banks in Lithuania, Latvia and Estonia have a larger proportion of cash and central bank reserves over their total liquidity buffer (around 92%), whereas banks in Cyprus, Poland, Romania and Slovakia have the biggest share of Level 1 securities (around 85%). Covered bonds contribute significantly to the liquidity buffer only for banks in Denmark (39% over the total liquidity buffer).

Figure 4: Composition of liquid assets (post-weight and before the cap) relative to total assets



Composition of outflows and inflows

Figure 5: Composition of cash outflows (post-weight) relative to total assets



Net liquidity outflows are defined as the difference between liquidity outflows and liquidity inflows and are required to be positive[13]. Liquidity outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance-sheet commitments by the rates at which they are expected to run off or be drawn down[14]. Liquidity inflows are assessed over a period of 30 calendar days. They comprise only contractual inflows from exposures that are not past due and for which banks have no reason to expect non-performance within 30 calendar days. To prevent banks from relying solely on expected liquidity inflows to meet their LCR, and to ensure a minimum level of HQLA, the amount of inflows that can offset outflows is generally capped at 75% of total liquidity outflows. However, unlike the Basel LCR standard, the EU LCR regulation provides certain exemptions to this cap, either full or partial, although these are subject to prior approval from competent authorities[15].

On average, cash outflows (post-weight) represent approximately 17.7% of total assets. GSIIs and O-SIIs show a higher proportion (18.1%) than other banks (14.3%). The share of outflows from retail deposits in total assets is nearly the same in both groups of banks (around 2% of total assets). As expected, for both groups of banks, the main component of the cash outflows is non-operational deposits (e.g. short-term deposits from financial customers), which tend to have higher run-off

[13] Article 20 of the LCR DR.
[14] Article 22(1) of the LCR DR.
[15] Article 33 of the LCR DR (with the approval of the competent authority, specialised credit banks may be subject to a cap of 90% on inflows, and these banks may be fully exempt from the cap on inflows if their main activity is leasing and factoring business).

rates and account for 6% of total assets. The same composition of outflows is shown when analysing results by country. Some countries show higher proportions of non-operational deposits such as Luxembourg (20.91% of total assets), Hungary (13.16% of total assets), Malta (12.75% of total assets) or Cyprus (11.25% of total assets).

Nearly all of the inflows reported by banks in this sample are subject to the 75% cap on inflows. Less than 3% of the inflows reported, corresponding to five banks, is limited to 90% of total liquidity outflows or is fully exempt from the cap on inflows.

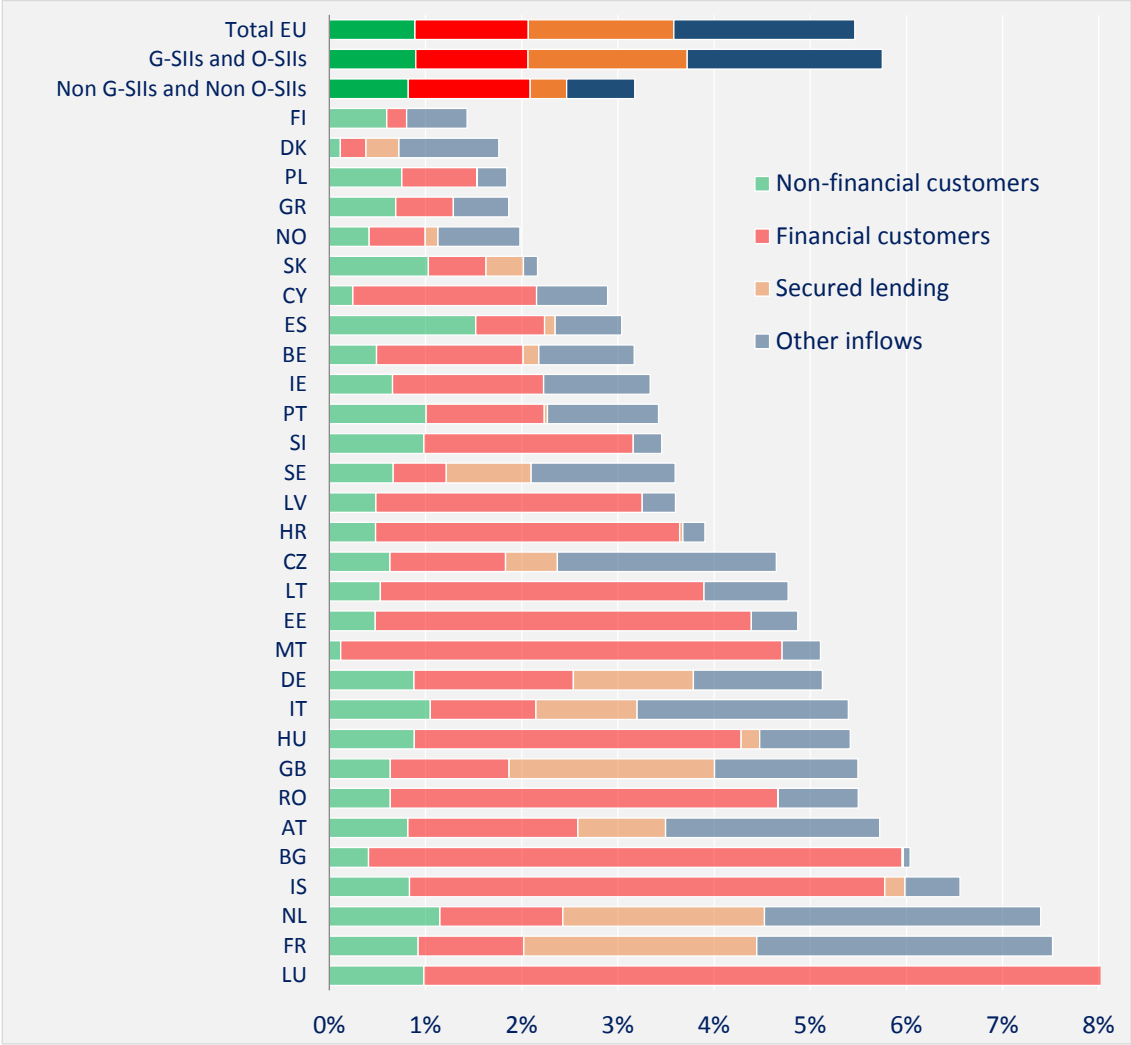
In addition, it is worth mentioning that the amount of outflows represented in Figure 5 is already net of inflows that are considered interdependent inflows and for which the approval of the competent authority has been granted. This is because, in this specific case, the LCR DR allows outflows to be calculated already net of these inflows[16]. Bank-by-bank analysis shows that there are currently seven banks with inflows that are considered interdependent inflows and that reported the relevant amounts[17].

Cash inflows relative to total assets for GSIIs and O-SIIs are 5.7% of total assets. This proportion is higher than it is for other banks (3.2%; Figure 6).

The results by country show heterogeneity in the composition of inflows, with 17 countries showing a higher proportion of financial customer cash inflows and 9 countries showing a higher proportion of other inflows. Banks in Malta show the highest proportion of financial customer inflows (89.9% of total inflows), whereas banks in Denmark (58%) and Cyprus (49%) have the highest proportions of other inflows.

[16] Article 26 of the LCR DR.
[17] Note that the cell in COREP that contains the information about the amount of interdependent inflows is a memo item. This number represents the number of banks with interdependent inflows that provided this information.

Figure 6: Composition of cash inflows (post-weight and before the cap) relative to total assets



Analysis of the LCR by business models

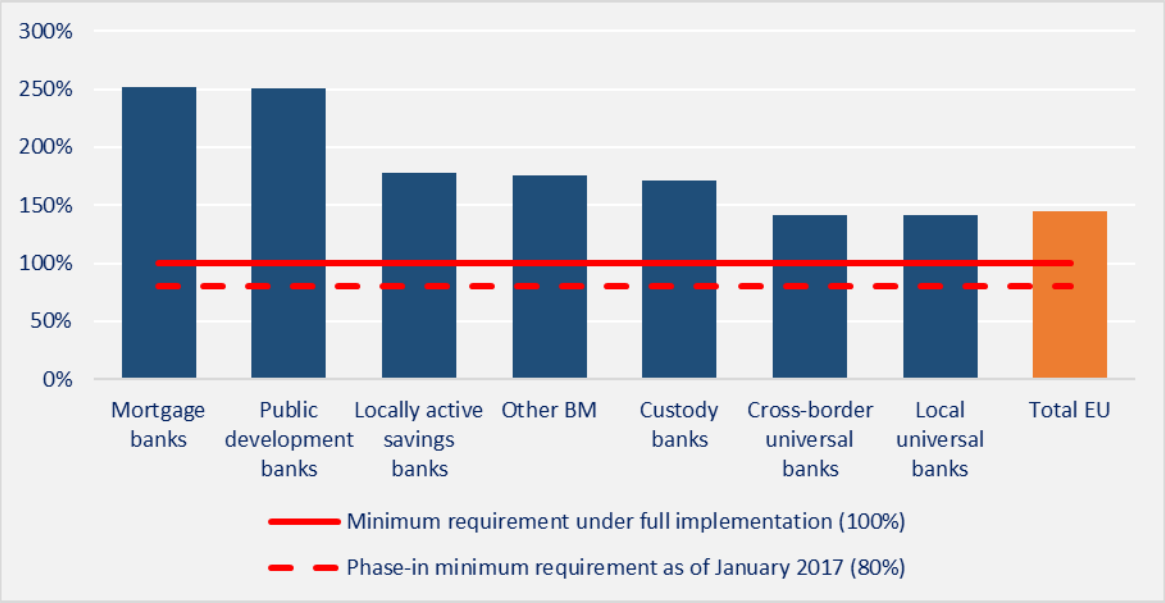
The impact of the LCR may differ depending on banks' specific business models. In fact, data confirm that there is a wide dispersion in the LCR across different business models in the EU banking sector (Figure 7).

A sample of 168[18] banks was used to analyse the LCR levels by business models. All subsidiaries are included in the analysis to ensure that a diversity of business models is considered within the overall banking groups. One caveat to the analysis is the representativeness of the sample, since there is a high concentration of banks with two business models (i.e. local universal banks and cross-border universal banks; see Table 3 and Table 4 in the Annex). Results should therefore be interpreted cautiously and should be checked against the sample size of the relevant business model category.

[18] Only banks for which the business model classification was available have been included in this analysis.

For all business models, the LCR exceeds, on average, the minimum requirement of 100%. Mortgage banks and public development banks show the highest LCRs (average LCRs of 252% and 221%, respectively), well above the EU average. Locally, active savings banks and custody banks also show LCRs above the EU average (178% and 171%, respectively). Cross-border universal banks (composed of large banks) and local universal banks show the lowest LCR levels (142% and 141%, respectively).

Figure 7: LCRs across business models



3. LCR: analysis of currency mismatch

Rationale for the analysis

Banks regularly fund their assets in a currency different from that in which the assets are denominated. There are several reasons for this, ranging from diversification and supply factors to structural drivers.

In the aftermath of the global financial crisis, currency mismatch in funding and the liquidity of asset buffers became important aspects to take into account. In 2011, the European Systemic Risk Board (ESRB) published two recommendations focusing on foreign lending (ESRB/2011/1) [19] and significant currency-denominated funding of credit banks (ESRB/2011/2)[20]. In addition, Article 8(6) of the LCR DR requires banks to ensure that the currency denomination of their liquid assets is consistent with the distribution by currency of their net liquidity outflows. Where appropriate, competent authorities may require credit institutions to restrict currency mismatch by setting limits on the proportion of net liquidity outflows in a currency that can be met during a stress period and by holding liquid assets not denominated in that currency.

In normal times, it is expected that banks can easily swap currencies and can raise funds in foreign currency markets. However, the ability to swap currencies may be constrained during stressed conditions (as seen during the financial crisis). Therefore, it is useful to study whether currency-related liquidity risk exists in the EU banking sector.

The analysis of the overall maturity mismatch and liquidity coverage between assets and liabilities across all currencies is useful to disentangle and assess possible large funding/outflow risks for some specific currencies. The risk profile of an institution in a specific currency could be blurred by different maturity mismatches across currencies, and the LCR reports by significant currency allow monitoring of the inherent currency risk in the LCR. The CRR does not require separate reports for items denominated in the reporting currency; however, a relevant number of banks seem to do this.

To this end, the previous EBA report on liquidity measures[21] analyses multiple indicators to show the liquidity coverage levels by individual significant currencies. The current report shows an update analysing one of those indicators, which is considered more relevant, aiming to provide an overview of the liquidity coverage by individual significant currencies as of June 2018. The indicator used is the liquidity buffer over net cash outflows, to compare total figures across all currencies against figures per individual significant (foreign) currency[22] (limited to euros, US dollars and pounds sterling).

[19] See here.
[20] See here.
[21] EBA Report on liquidity measures (data as of December 2017).
[22] Article 415(2) of the CRR indicates that a currency is considered significant if the currency-denominated liabilities are higher than 5% of total liabilities. The analysis is limited to foreign significant currencies, meaning that only significant currencies, different from the legal currency in the country of origin of each individual bank, are included, i.e. a UK bank with positions in euros, pounds sterling and US dollars over 5% of total liabilities will be considered in the analysis only for euros and US dollars but not for pounds sterling.

Analysis of liquidity buffer over net cash outflows by significant currencies

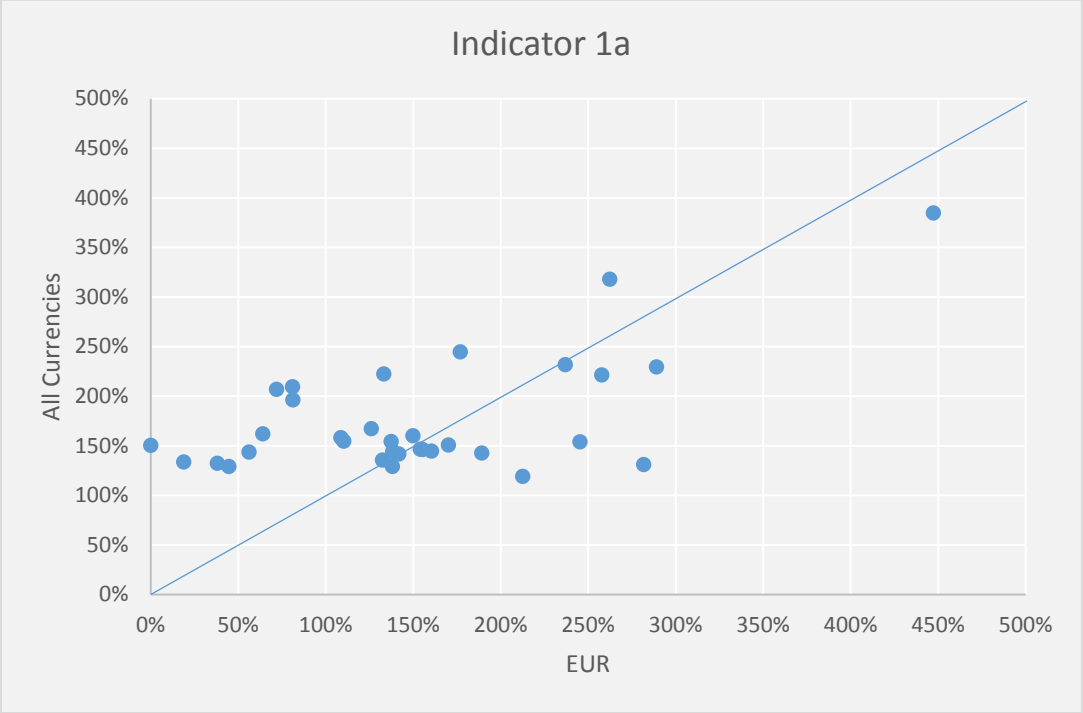
The objective is to test whether there are any currency-specific patterns in the liquidity profiles of banks. The indicator demonstrates whether the difference between the ratio of the liquidity buffer and net cash outflows for a specific foreign currency is more pronounced than the same ratio for all currencies.

$$Indicator\ 1 = \frac{Liquidity\ buffer_{currency}}{Outflows_{currency} - Min(Inflows_{currency}, 0.75 \times Outflows_{currency})}$$

where currency = reporting currency (all currencies), euros, US dollars, pounds sterling.

A total of 43 banks reported euros as a significant (foreign) currency. The weighted average LCR_{EUR} is 153%, which is higher than the average $LCR_{All\ currencies}$ for the same sample. As shown in the previous EBA report on liquidity measures, there is some evidence of a different pattern when euros are the significant currency (i.e. there are many banks with an LCR_{EUR} lower than the $LCR_{All\ currencies}$). These banks are located above and distant from the diagonal line in Figure 8.

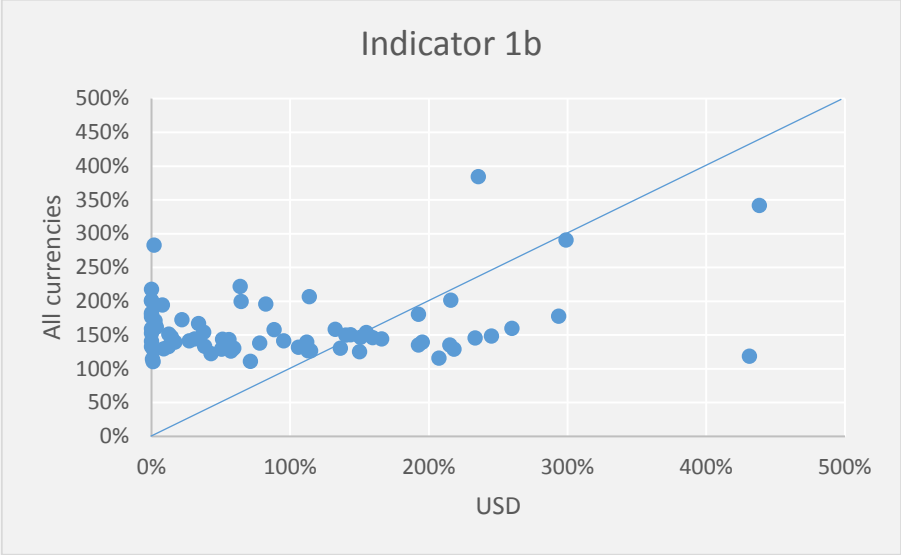
Figure 8: Liquidity buffer over net cash outflows where the significant currency is EUR (*x*-axis) compared with the same indicator for the reporting currency (all currencies; *y*-axis)



A total of 81 banks reported US dollars as a significant (foreign) currency. As in the previous EBA Report on liquidity measures, these 81 banks show a weighted average LCR_{USD} (90%) below the 100% LCR requirement and much lower than the average $LCR_{All\ currencies}$ for the same sample (143%). There is clear evidence of a different pattern when US dollars are the significant currency, i.e. there

are several banks with an LCR_{USD} lower than the $LCR_{All\ currencies}$, many of them with an LCR_{USD} close to 0%, which means that the banks report net liquidity outflows denominated in US dollars but do not account for any eligible liquid asset denominated in USD (Figure 9).

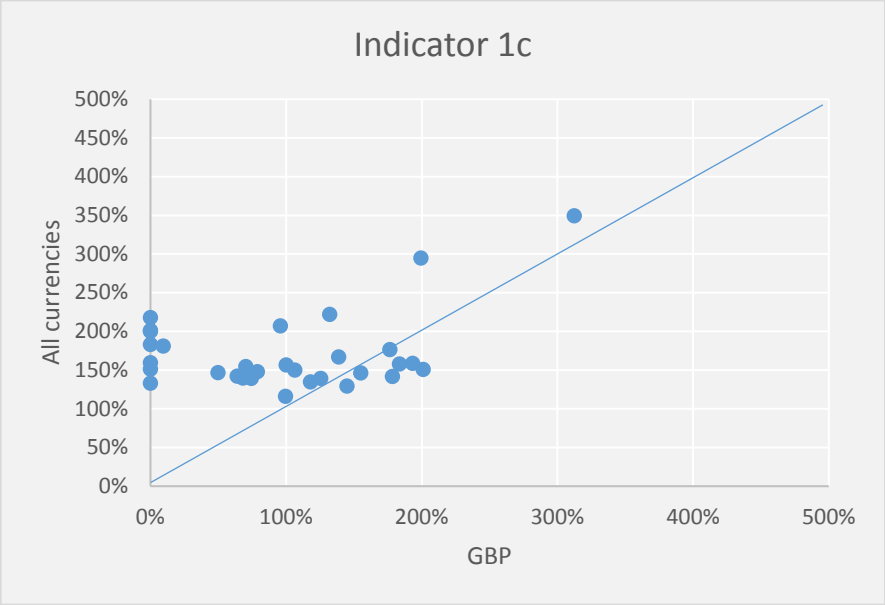
Figure 9: Liquidity buffer over net cash outflows where the significant currency is USD (*x*-axis) compared with the same indicator for the reporting currency (all currencies; *y*-axis)



A total of 35 banks reported pounds sterling as a significant (foreign) currency. The weighted average LCR_{GBP} is 115%, which is much lower than the average $LCR_{All\ currencies}$ for the same sample (182%). There is some evidence of a different pattern when pounds sterling are the significant currency, i.e. there are several banks with an LCR_{GBP} lower than the $LCR_{All\ currencies}$, some of them with an LCR_{GBP} close to 0%, which means that the banks report net liquidity outflows denominated in pounds but do not account for any eligible liquid asset denominated in pounds. These banks are located above and distant from the diagonal line in Figure 10.

Unlike the results shown in the previous EBA Report on liquidity measures, where banks showed an LCR_{GBP} below the 100% requirement, the banks included in the sample show an average value above the 100% requirement. In addition, the $LCR_{All\ currencies}$ for this group of banks is at a much higher level than in the previous report. Nevertheless, bank-by-bank results do not show a general improvement in the LCR_{GBP} of the common sample. The increase in the average is due to the additional sample included in the current analysis.

Figure 10: Liquidity buffer over net cash outflows where the significant currency is GBP (*x*-axis) compared with the same indicator for the reporting currency (all currencies; *y*-axis)



For the majority of the banks, the ratio for total figures (reporting currency, i.e. across all currencies) is higher than the same ratio considering only each individual significant currency (euros, US dollars and pounds sterling). This implies that banks are likely to hold a higher liquidity buffer in relation to their net cash outflows in the national currency than in significant (foreign) currencies. Thus, at aggregate level, the surplus in liquidity coverage in all currencies offsets (or dominates) the liquidity shortfall in other significant currencies.

Banks need to ensure consistency between liquidity buffers and net outflows by currency. Low levels of LCR in one significant currency may create problems during stress periods when liquidity sources may be constrained and the FX swaps markets may become difficult to access. Therefore, Article 8 of the LCR DR states that competent authorities may limit significant excesses of net outflows denominated in a significant or reporting currency (Article 8(6) of the LCR DR). Possible specific limits or quantitative restrictions may be implemented to correct mismatches in material cases.

Conclusions

Liquidity coverage requirements are an important aspect of the EU regulatory framework. COREP data continue to show that banks have significantly increased their LCR levels since September 2016. Results show that, in general, both the average and bank-level LCRs are well above the requirement of 100%. As of June 2018, all except four O-SII banks, from the sample of 140 banks, had already met the 100% fully phased-in LCR minimum requirement. The aggregate shortfall, corresponding to those four banks, is EUR 22.5 billion, although the shortfall has demonstrated a downward trend since September 2016.

The average levels of LCR across different business model categories are also above the minimum requirements and, as expected, the results continue to show significant differences across business models in the composition of LCR and LCR parameters.

Finally, the analysis continues to show that banks are likely to hold a higher liquidity buffer, in relation to their net cash outflows, in their domestic currency than in other significant (foreign) currencies. Thus, at aggregate level, the surplus in liquidity coverage in all currencies offsets the liquidity shortfall in other significant currencies. Low levels of LCR in one significant currency may generate problems during stress periods, when liquidity sources may be constrained and the FX swaps markets may become difficult to access. Banks need to ensure consistency between liquidity buffers and net outflows by currency. Against this background, competent authorities may consider making greater use of their discretion to restrict currency mismatches by setting limits on the proportion of net liquidity outflows in a currency that can be met during a stress period by holding liquid assets not denominated in that currency.

Annex

Table 1: Number of banks included in the June 2018 analysis[23]

Country	ISO code	All banks	*Of which subsidiaries*	GSIIs/O-SIIs	*Of which subsidiaries*
Austria	AT	7	*1*	3	*1*
Belgium	BE	7	*1*	6	*1*
Bulgaria	BG	3	*2*	3	*2*
Cyprus	CY	3	*0*	2	*0*
Czech Republic	CZ	3	*3*	3	*3*
Germany	DE	20	*0*	10	*0*
Denmark	DK	4	*0*	4	*0*
Estonia	EE	4	*3*	3	*3*
Spain	ES	12	*0*	5	*0*
Finland	FI	4	*1*	2	*1*
France	FR	11	*1*	6	*0*
United Kingdom	GB	11	*0*	7	*0*
Greece	GR	4	*0*	4	*0*
Croatia	HR	3	*3*	3	*3*
Hungary	HU	3	*2*	3	*2*
Iceland	IS	3	*0*	3	*0*
Ireland	IE	12	*4*	6	*2*
Italy	IT	11	*0*	4	*0*
Lithuania	LT	3	*3*	3	*3*
Luxembourg	LU	7	*2*	5	*2*
Latvia	LV	3	*3*	2	*2*
Malta	MT	4	*1*	2	*1*
Netherlands	NL	6	*0*	3	*0*
Norway	NO	3	*0*	1	*0*
Poland	PL	3	*1*	3	*1*
Portugal	PT	6	*1*	4	*1*
Romania	RO	3	*2*	3	*2*
Sweden	SE	8	*0*	4	*0*
Slovenia	SI	4	*1*	3	*1*
Slovakia	SK	3	*3*	3	*3*
Total		**178**	***38***	**113**	***34***

[23] Results shown by total/group of banks (total EU/G-SIIs, O-SIIs and others) do not include subsidiaries. Nevertheless, results by country do include subsidiaries.

Table 2: Number of banks included in the evolution analysis[24] if balanced sample criteria applies

Country	ISO code	All banks	G-SIIs/O-SIIs
Austria	AT	4	1
Belgium	BE	6	5
Bulgaria	BG	1	1
Cyprus	CY	2	2
Germany	DE	16	10
Denmark	DK	4	4
Estonia	EE	1	0
Spain	ES	11	4
Finland	FI	2	1
France	FR	9	6
United Kingdom	GB	11	7
Greece	GR	4	4
Hungary	HU	1	1
Ireland	IE	2	2
Italy	IT	9	3
Luxembourg	LU	2	1
Malta	MT	2	1
Netherlands	NL	5	3
Norway	NO	2	1
Poland	PL	2	2
Portugal	PT	5	3
Romania	RO	1	1
Sweden	SE	7	4
Slovenia	SI	3	2
Total		**112**	**69**

[24] All trend analyses are shown by group of banks (total EU/G-SIIs, O-SIIs and others) and therefore exclude subsidiaries.

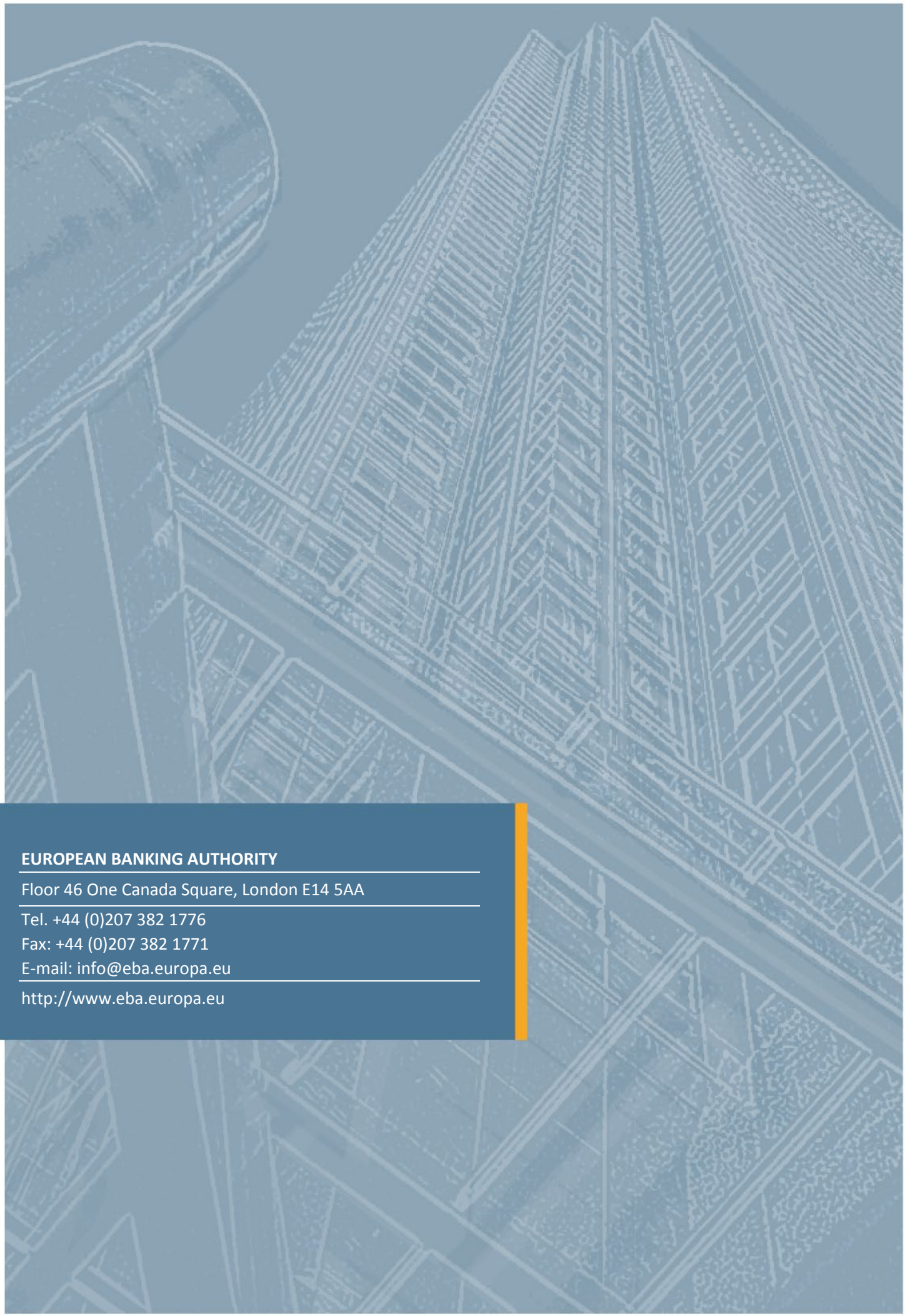
Table 3: Number of banks submitting liquidity coverage data (by business model)

Business model	All banks	*Of which subsidiaries*
Automotive and consumer credit banks	4	*1*
Building societies	3	*0*
Cross-border universal banks	48	*2*
Custody banks	7	*0*
Local universal banks	72	*28*
Merchant banks	2	*0*
Other specialised banks	5	*3*
Public development banks	10	*0*
Security trading houses	1	*0*
Locally active savings and loan associations/cooperative banks	9	*0*
Mortgage banks including pass-through financing mortgage banks	6	*1*
CCPs	1	*0*
Grand total	**168**	***35***

Table 4: Definition of business models

Name	**Description**
Automotive and consumer credit banks	Banks specialising in originating and/or servicing consumer and/or automotive loans to retail clients.
Building societies	Banks specialising in the provision of residential loans to retail clients.
CCPs	Banks specialising in setting trading accounts, clearing trades, collecting and maintaining margin monies, regulating delivery and reporting trading data.
Cross-border universal banks	Cross-border banking groups engaging in several activities including retail, corporate, investment banking and insurance.
Custody banks	Banks specialising in offering custodian services (i.e. they hold customers' securities in electronic or physical form for safe keeping to minimise the risk of loss). These banks may also provide other services, including account administration, transaction settlements, collection of dividends and interest payments, tax support and foreign exchange.
Local savings banks	Banks that focus on retail banking (payments, savings products, credit and insurance for individuals or SMEs) and operate through a decentralised distribution network, providing local and regional outreach.
Local universal banks	Banks specialising in originating and/or servicing consumer loans to retail clients and SMEs.
Merchant banks	Banks engaging in financing domestic and international trade by offering products such as letters of credit, bank guarantees, and collection and discounting of bills.

Name	Description
Mortgage banks	Banks specialising in directly originating and/or servicing mortgage loans.
Other specialised banks	Other specialised banks such as promotional banks and ethical banks.
Private banks	Banks providing wealth management services to high net worth individuals and families.
Public development banks	Banks specialising in financing public sector projects and/or the provision of promotional credit or municipal loans.
Security trading houses	Banks facilitating trading done in derivatives and equities markets by guaranteeing the obligations in the contract agreed between two counterparties and/or by holding securities and other assets for safe keeping and record keeping on behalf of corporate or individual investors.



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