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Press and Communications

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## EBA releases bank-by-bank data at the start of the COVID-19 crisis

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The European Banking Authority (EBA) published today the seventh EU-wide transparency exercise. This additional data disclosure comes as a response to the outbreak of COVID-19 and provides market participants with bank-level data as of 31 December 2019, prior to the start of the crisis. The data confirms the EU banking sector entered the crisis with solid capital positions and improved asset quality, but also shows the significant dispersion across banks.

	CET1 ratio		NPL ratio	Leverage ratio (fully phased-in)
	(transitional)	(fully loaded)		
25th pct	13.9%	13.4%	1.2%	4.9%
Weighted average	15.1%	14.8%	2.7%	5.5%
75th pct	18.5%	18.4%	4.3%	8.4%

Commenting on the publication of the results, Jose Manuel Campa, EBA Chairperson, said: *“The EBA considers that the provision to market participants of continuous information on banks’ exposures and asset quality is crucial, particularly in moments of increased uncertainty. The dissemination of banks’ data complements our ongoing monitoring of the risks and vulnerabilities in the banking sector and contributes to preserving financial stability in the Single Market”.*

In the context of an unprecedented health crisis, EU-wide Transparency data confirms banks entered this challenging period in a stronger position than in previous crises in line with the EBA’s [“Thematic note on the first insights into the Covid-19 impacts”](#). Compared with the Global Financial Crisis in 2008-2009, banks now hold larger capital and liquidity buffers.

EU banks reported increasing capital ratios in 2019. The EU weighted average CET1 fully loaded capital ratio was at 14.8% as of Q4 2019, around 40bps higher than Q3 2019. The trend was supported by higher capital, but also contracting risk exposure amounts (REA). As of December 2019, 75% of the banks reported a CET1 fully loaded capital ratio above 13.4% and all banks reported a ratio above 11%, well above the regulatory requirements. Compared to the previous quarter, the interquartile range remained stable.

The EU weighted fully phased-in leverage ratio stood at 5.5% as of December 2019. The leverage ratio increased by 30bps compared to the previous quarter, driven by rising capital and declining exposures. The lowest reported leverage ratio was 4.7% at country level, and 1.6% at bank level.

The asset quality of EU banks has been on an improving trend over the last few years. As of Q4 2019 the EU weighted average NPL ratio declined to 2.7%, 20bps lower than in Q3 2019. The Q4 2019 ratio was the lowest since the EBA introduced a harmonised definition of NPLs across European countries. Dispersion in the NPL ratio across countries remained wide, with few banks still reporting double-digit ratios, although in the last quarter the interquartile range compressed by 80 bps, to 3.1%.

### Notes to the editors

- The EBA postponed the EU-wide stress test exercise to 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers.
- The EBA has been conducting transparency exercises at EU-wide level on an annual basis since 2011. The transparency exercise is part of the EBA's ongoing efforts to foster transparency and market discipline in the EU financial market, and complements banks' own Pillar 3 disclosures, as laid down in the EU's capital requirements directive (CRD). Unlike stress tests, transparency exercises are purely disclosure exercises where only bank-by-bank data are published and no shocks are applied to the actual data.
- The spring 2020 transparency exercise covers 127 banks from 27 EEA countries, and data is disclosed at the highest level of consolidation as of September 2019 and December 2019. The transparency exercise fully relies on supervisory reporting data.
- Along with the dataset, the EBA also provides a document highlighting the key statistics derived from the dataset, and a wide range of interactive tools that allow users to compare and visualise data by using maps at a country and a bank-by-bank level.