



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

23 September 2024

ECB publishes supervisory banking statistics on significant institutions for the second quarter of 2024

- Aggregate Common Equity Tier 1 ratio at 15.81% in second quarter of 2024 up from 15.74% in previous quarter and 15.71% in second quarter of 2023
- Aggregated annualised return on equity at 10.11% in second quarter of 2024, highest reported value since start of time series (second quarter of 2015)
- Aggregate non-performing loans ratio (excluding cash balances) stable at 2.30% compared with 2.31% in previous quarter and 2.26% in second quarter of 2023
- Supervisory banking statistics now include more granular breakdown of non-performing loans to households and non-financial corporations
- Share of loans showing significant increase in credit risk (stage 2 loans) at 9.45% down from 9.50% in previous quarter but up from 9.19% one year ago

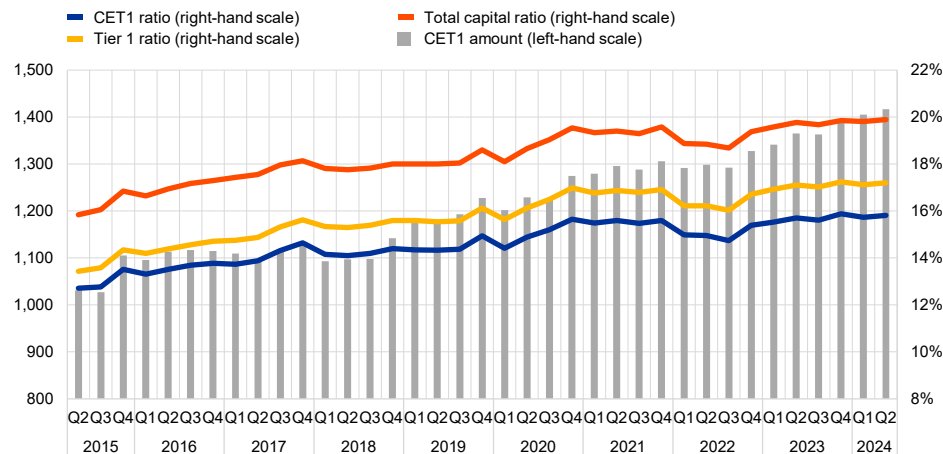
Capital adequacy

The aggregate [capital ratios](#) of significant institutions (i.e. banks supervised directly by the ECB) were slightly up in the second quarter of 2024. The aggregate Common Equity Tier 1 (CET1) ratio stood at 15.81%, the aggregate Tier 1 ratio stood at 17.21% and the aggregate total capital ratio stood at 19.90%.

Chart 1

Capital ratios and CET1 amount

(EUR billions; percentages)



Source: ECB.

Asset quality

The [non-performing loans \(NPL\) ratio](#) excluding cash balances at central banks and other demand deposits stood at 2.30% in the second quarter of 2024. The stock of NPLs (numerator) increased by €1.33 billion to €356 billion, while the total of loans and advances (denominator) rose by €111.72 billion to €15,456 billion, keeping the ratio stable relative to the previous quarter (2.31%).

At sector level, the NPL ratio in the second quarter of 2024 stood at 3.57% for loans to [non-financial corporations](#) (NFCs) (from 3.55% in the previous quarter and 3.38% one year ago) and at 2.23% for loans to [households](#) (from 2.24% in the previous quarter and 2.20% one year ago). The NPL ratio for [loans to NFCs collateralised by commercial immovable property](#) was stable at 4.61% (compared with 4.60% in the previous quarter), while for [loans to households collateralised by residential immovable property](#) the NPL ratio slightly decreased to 1.58% (from 1.61% in the previous quarter). These NPL ratio breakdowns are being published for the first time, together with the NPL ratio for [loans granted to small and medium-sized enterprises](#), which stood at 4.83% in the second quarter of 2024.

Aggregate [stage 2 loans as a share of total loans](#) fell to 9.45% (from 9.50% in the previous quarter). The stage 2 ratio decreased to 13.57% for loans to [NFCs](#) and 8.80% for loans to [households](#) (from 13.60% and 8.84% respectively in the previous quarter).

European Central Bank

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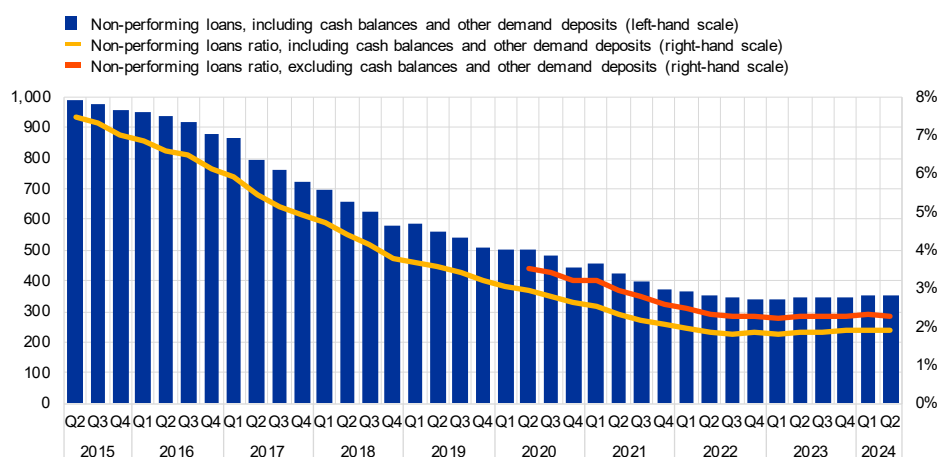
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Cost of risk stood at an aggregate level of 0.47% in the second quarter of 2024 (down from 0.49% in the previous quarter). Across significant institutions, the interquartile range amounted to 0.47 percentage points (the same as in the previous quarter).

Chart 2 Non-performing loans

(EUR billions; percentages)

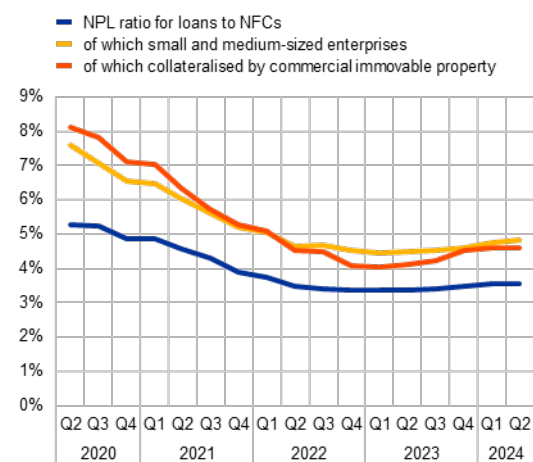


Source: ECB.

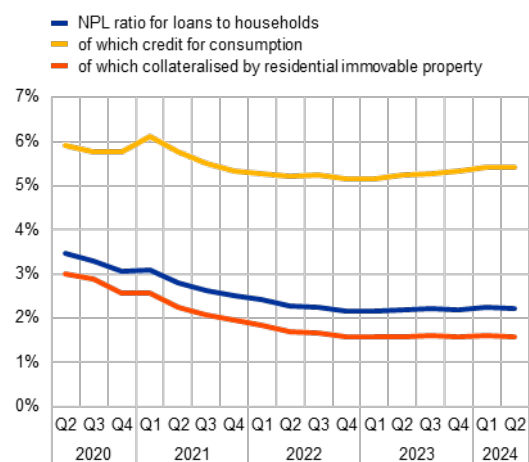
Chart 3 Non-performing loans by counterparty sector

a) Breakdown of NFC portfolio by segment b) Breakdown of household portfolio by segment

(percentages)



(percentages)

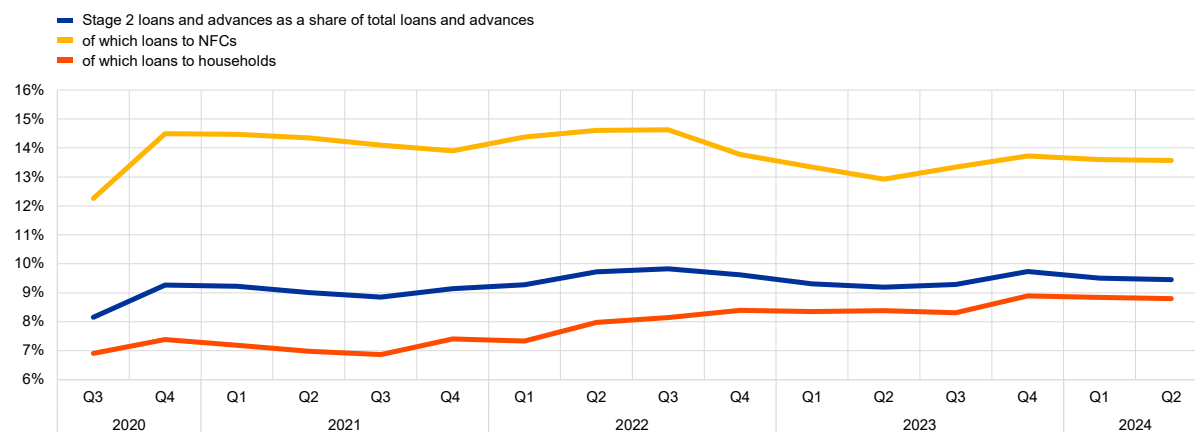


Source: ECB.

Chart 4

Stage 2 loans and advances as a share of total loans and advances subject to impairment review

(percentages)



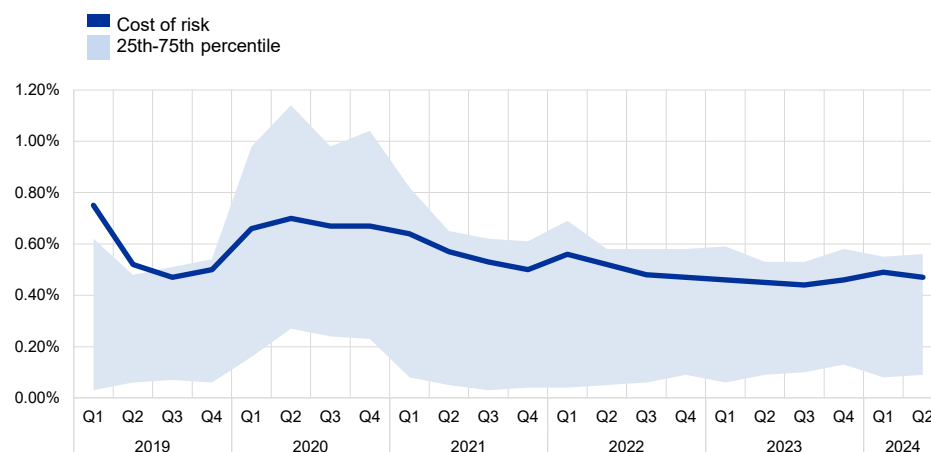
Source: ECB.

Note: Stage 2 includes assets that have shown a significant increase in credit risk since initial recognition.

Chart 5

Cost of risk

(percentages)



Source: ECB.

Return on equity

The aggregated annualised [return on equity](#) stood at 10.11% in the second quarter of 2024 (compared with 10.04% in the second quarter of 2023). A sizeable increase in operating income (driven by higher net interest income, which rose by 6.5% year-on-year) was partially offset by higher equity (owing to a 7.6% increase in reserves compared with one year ago).

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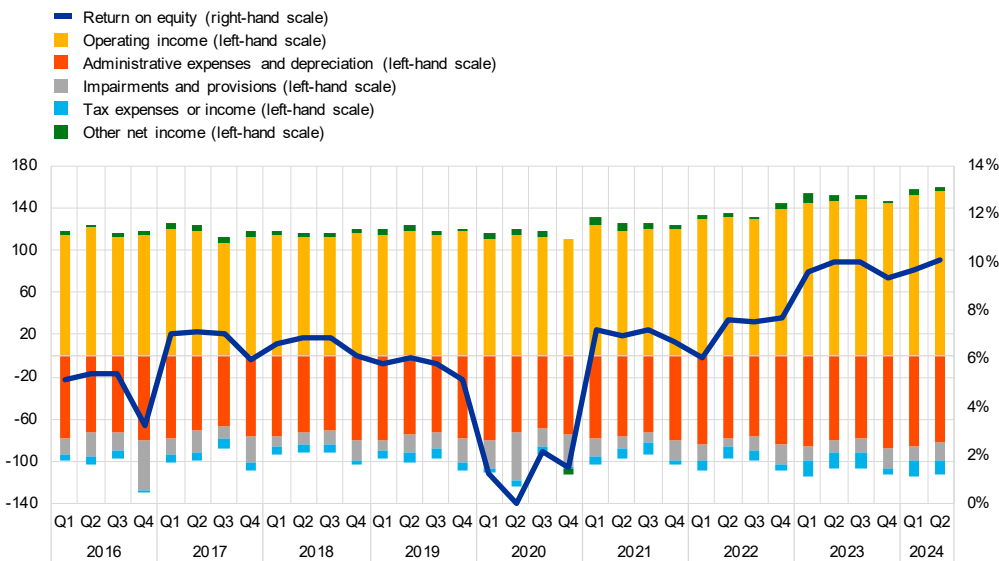
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In the second quarter of 2024, the [net interest margin](#) stood at 1.61% (compared with 1.53% one year ago), while showing noticeable structural differences across countries. This ratio ranged from 0.89% in France to 3.78% in Latvia.

Chart 6

Return on equity and composition of net profit and loss

(EUR billions; percentages)

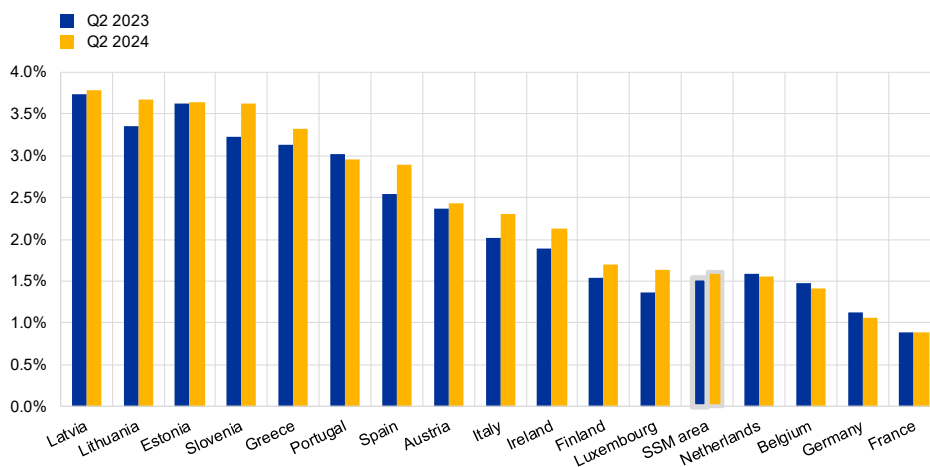


Source: ECB.

Chart 7

Net interest margin by country

(percentages)



Source: ECB.

Notes: "SSM" stands for "Single Supervisory Mechanism". Some countries participating in European banking supervision are not included in this chart, either for confidentiality reasons or because there are no significant institutions at the highest level of consolidation in that country.

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Factors affecting changes

Supervisory banking statistics are calculated by aggregating the data reported by banks which report COREP (capital adequacy information) and FINREP (financial information) data at the relevant point in time. Consequently, changes from one quarter to the next can be influenced by the following factors:

- changes in the sample of reporting institutions;
- mergers and acquisitions;
- reclassifications (e.g. portfolio shifts as a result of certain assets being reclassified from one accounting portfolio to another).

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Notes

- The complete set of [Supervisory banking statistics](#) with additional quantitative risk indicators is available on the ECB's banking supervision website and the time series are also available for download from the [ECB Data Portal](#).