



“Can the euro area respond adequately to the next crisis with its current instruments?”

Rolf Strauch, ESM Chief Economist

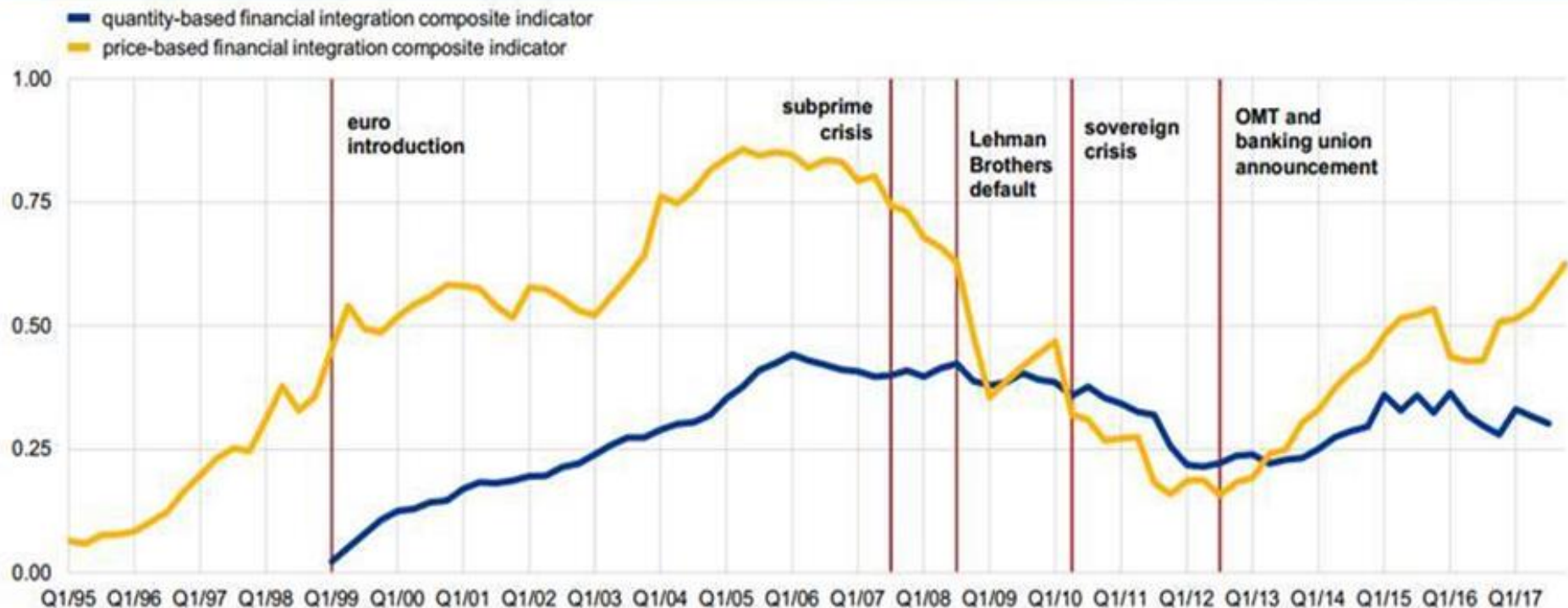
OECD & France Stratégie workshop, Paris

5 February 2019

Integrated financial markets are crucial for financial stability

- Financial integration in the euro area is lower today than before the crisis

Indicators of financial integration

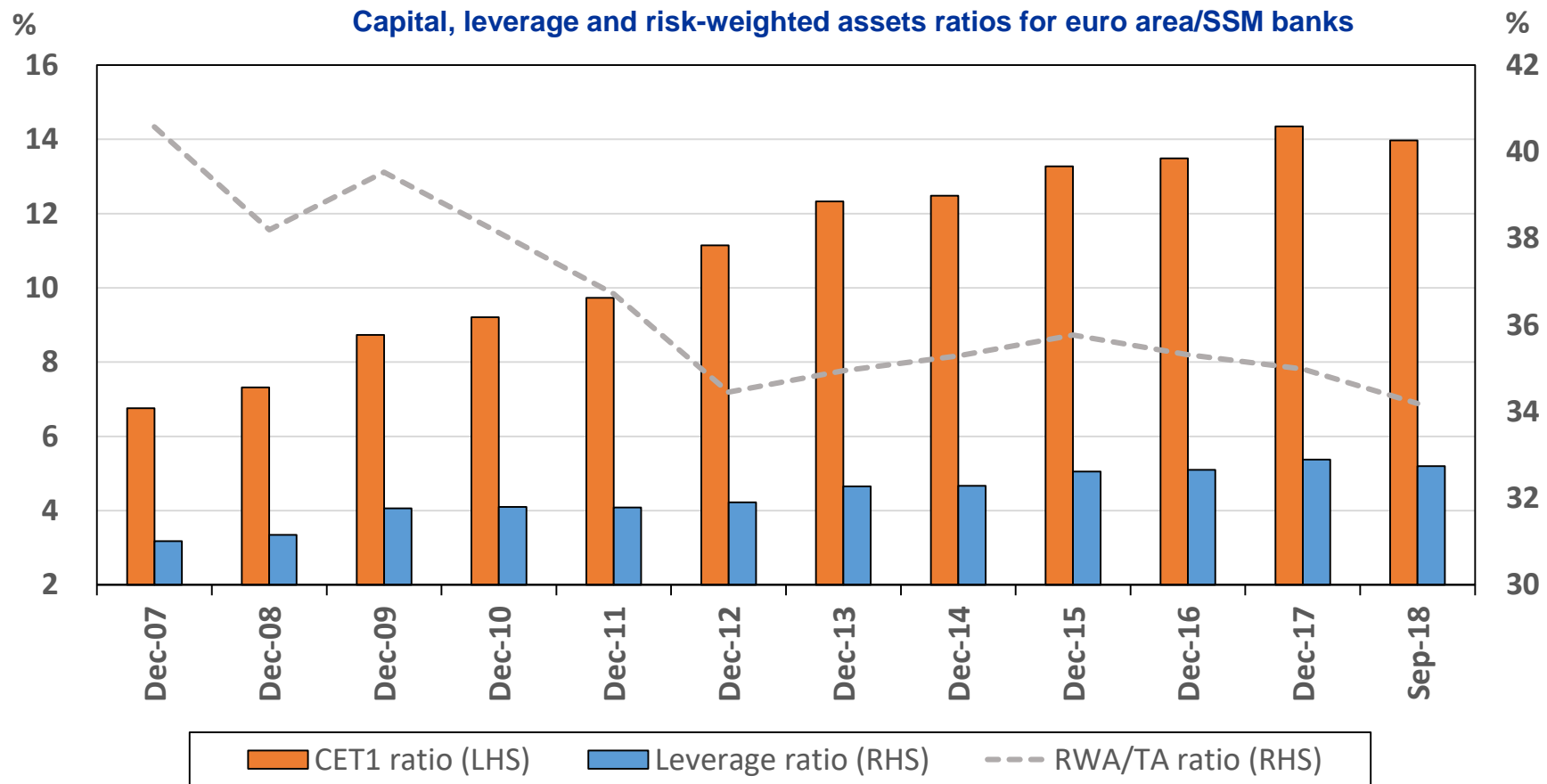


Sources: ECB and ECB calculations.

Notes: The price-based composite indicator aggregates ten indicators covering the period from the first quarter of 1995 to the fourth quarter of 2017, while the quantity-based composite indicator aggregates five indicators available from the first quarter of 1999 to the third quarter of 2017. The indicators are bounded between zero (full fragmentation) and one (full integration). Increases in the indicators signal greater financial integration. For a detailed description of the indicators and their input data, see the Statistical annex.

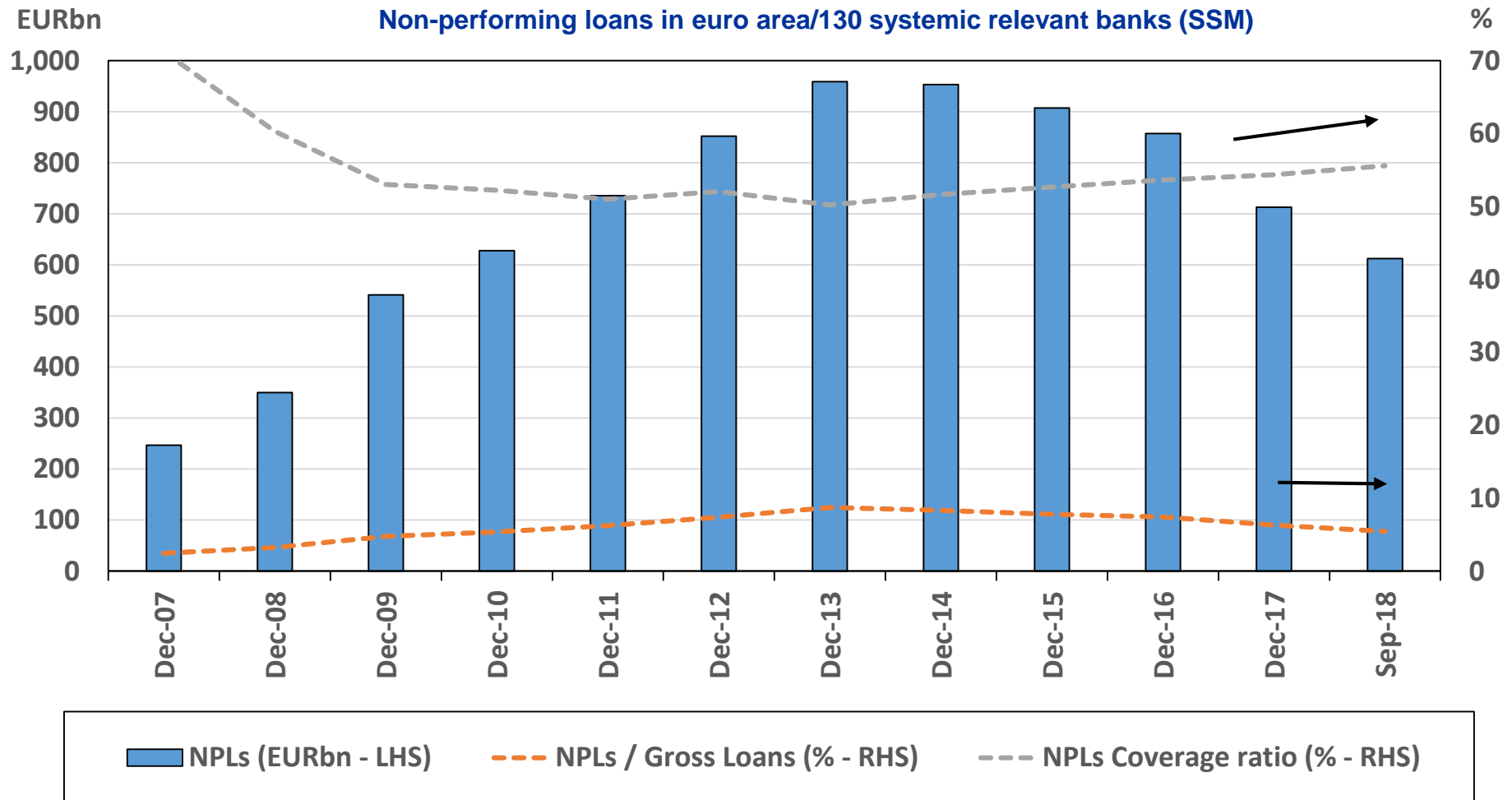
Regulatory measures have improved the banking sector landscape

- Banks are safer today than they were before the crisis
- Regulation has been tightened and harmonised
- Capital of banks has increased substantially



Declining liabilities from the past crisis

- The amount of non-performing loans is declining, but still above pre-crisis levels



Thank you!

Media enquiries

Wolfgang Proissl
Head of Communication / Chief Spokesperson
Phone: +352 260 962 230
Mobile: +352 621 239 454
w.proissl@esm.europa.eu

Anabela Reis
Senior Spokesperson
Phone: +352 260 962 551
Mobile: +352 621 158 096
A.Reis@esm.europa.eu

Website: esm.europa.eu

Twitter: @ESM_Press

YouTube:

<https://www.youtube.com/user/esmvideochannel>

LinkedIn:

<https://www.linkedin.com/company/european-stability-mechanism>