

Banking: Crises and Regulation

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1. Assets

	Total	Loans to euro area residents			Holdings of debt securities issued by euro area residents			Holdings of equity and non-MMF investment fund shares	External assets	Fixed assets	Remaining assets
		Total	General government	Other euro area residents	Total	General government	Other euro area residents				
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts										
2015	25,853.1	11,737.6	1,110.2	10,627.4	4,024.5	2,728.2	1,296.3	779.3	5,034.5	212.7	4,062.1
2016	26,689.0	11,853.6	1,079.6	10,774.0	4,604.6	3,229.4	1,375.2	783.2	5,213.3	203.1	4,018.0
2016 Q3	26,990.4	11,855.5	1,098.8	10,756.7	4,516.1	3,156.1	1,359.9	776.5	5,269.7	210.1	4,349.3
Q4	26,689.0	11,853.6	1,079.6	10,774.0	4,604.6	3,229.4	1,375.2	783.2	5,213.3	203.1	4,018.0
2016 Nov.	27,170.3	11,922.0	1,089.1	10,833.0	4,607.1	3,223.1	1,384.0	772.1	5,455.8	208.6	4,191.3
Dec.	26,689.0	11,853.6	1,079.6	10,774.0	4,604.6	3,229.4	1,375.2	783.2	5,213.3	203.1	4,018.0
2017 Jan.	26,778.4	11,876.5	1,097.5	10,779.0	4,669.2	3,268.0	1,401.2	786.4	5,381.0	201.8	3,849.8
Feb. ⁽⁹⁾	27,032.5	11,885.5	1,076.4	10,809.1	4,717.1	3,312.6	1,404.4	789.0	5,486.8	200.9	3,939.6

2. Liabilities

	Total	Currency in circulation	Deposits of central government	Deposits of other general government/ other euro area residents	Money market fund shares ⁽²⁾	Debt securities issued ⁽³⁾	Capital and reserves	External liabilities	Remaining liabilities	Excess of inter-MFI liabilities over inter-MFI assets
	1	2	3	4	5	6	7	8	9	10
	Outstanding amounts									
2015	25,853.1	1,048.9	227.4	11,533.9	465.2	2,318.6	2,548.7	3,662.8	4,096.8	-49.3
2016	26,689.0	1,087.3	252.4	11,907.1	506.3	2,228.3	2,659.2	4,053.7	4,032.6	-37.9
2016 Q3	26,990.4	1,066.5	297.4	11,779.8	486.9	2,220.0	2,697.8	4,087.2	4,400.4	-45.5
Q4	26,689.0	1,087.3	252.4	11,907.1	506.3	2,228.3	2,659.2	4,053.7	4,032.6	-37.9
2016 Nov.	27,170.3	1,071.1	300.4	11,847.2	512.3	2,238.9	2,662.7	4,336.2	4,256.4	-54.8
Dec.	26,689.0	1,087.3	252.4	11,907.1	506.3	2,228.3	2,659.2	4,053.7	4,032.6	-37.9
2017 Jan.	26,778.4	1,075.4	316.2	11,879.4	519.6	2,215.8	2,644.7	4,258.2	3,882.1	-13.1
Feb. ⁽⁹⁾	27,032.5	1,078.4	298.4	11,894.8	514.2	2,225.3	2,696.3	4,386.9	3,958.0	-19.7

Assets (use of funds)	Liabilities (source of funds)
Loans	Deposits
Securities	Other borrowings
Cash and reserves	Equity capital

Assets (use of funds)		Liabilities (source of funds)	
Loans	50	Deposits	50
Branch network building	1	Equity capital	10
Cash and reserves	9		
Total	60		60

Revenues		Costs	
Interest income	2.5	Interest paid	0.5
Fees	1	Running costs	1.5
Total	3.5		2

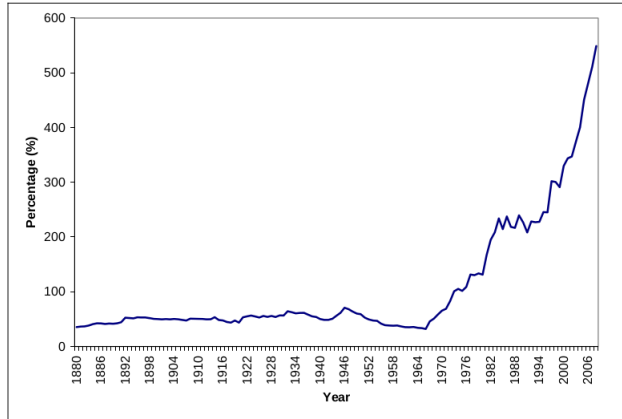
Assets (use of funds)		Liabilities (source of funds)	
Loans	71	Deposits	50
Branch network building	1	Equity capital	11
Cash and reserves	9	Debt securities	20
Total	81		81

Assets (use of funds)		Liabilities (source of funds)	
Loans	66	Deposits	50
Branch network building	1	Equity capital	6
Cash and reserves	9	Debt securities	20
Total	76		76

Assets (use of funds)		Liabilities (source of funds)	
Loans	91	Deposits	90
Cash and reserves	9	Equity capital	10
Total	100		100

Assets (use of funds)		Liabilities (source of funds)	
Loans	191	Deposits	90
Cash and reserves	9	Equity capital	10
		Borrowings	100
Total	200		200

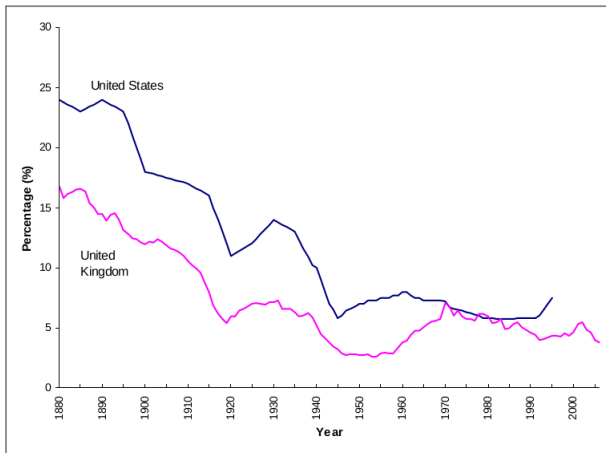
Chart 1: UK banking sector assets as % of GDP



Source: Sheppard, D. K (1971) and Bank of England.

Note: The definition of UK banking sector assets used in the series is broader after 1966, but using a narrower definition throughout gives the same growth profile.

Chart 2: Capital ratios for UK and US banks



Source: US: Berger, A, Herring, R and Szegö, G (1995). UK: Sheppard, D.K (1971), BBA, published accounts and Bank of England calculations.

Chart 3: Sterling liquid assets relative to total assets

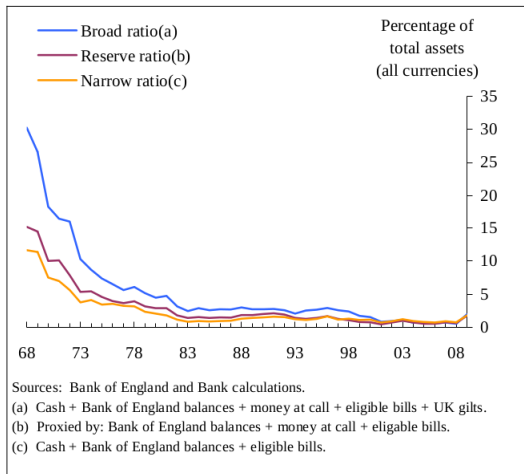
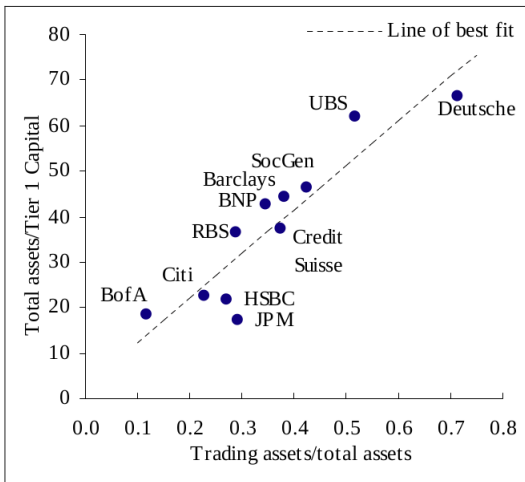
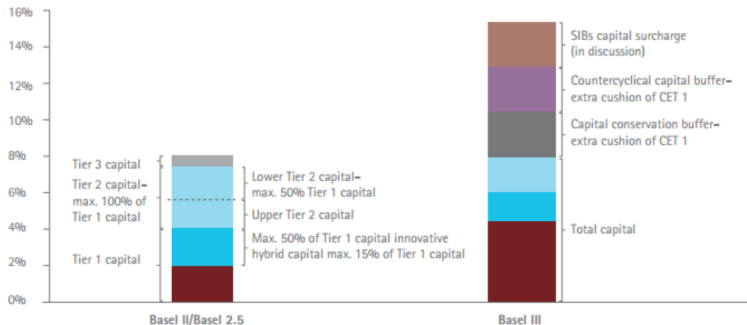


Chart 8: LCFIs' trading portfolios and financial leverage – 2007



Sources: Published accounts and Bank calculations



- CET 1 capital (certain Tier 1 items)
- SIBs surcharge (in discussion 1-2.5%)
- Countercyclical capital buffer (0-2.5%)
- Tier 2 capital
- Additional Tier 1 capital (hybrid capital)
- Capital conservation buffer
- Tier 3 capital

