

THE CHAIRPERSON

Floor 24-27, Tour Europlaza  
20 Avenue André Prothin  
92400 Courbevoie, France

T: +33 186 526 831  
E: [JoseManuel.Campa@eba.europa.eu](mailto:JoseManuel.Campa@eba.europa.eu)

<https://eba.europa.eu>

**EBA-2025-D-5087**

John Berrigan  
Director General  
Directorate-General for Financial Stability,  
Financial Services and Capital Markets Union (FISMA)  
European Commission  
Rue de Spa 2  
1000 Brussels  
Belgium

2 April 2025

**Subject: Response to the EC request to study the market share of subsidiaries of third country banking groups in the EU**

Dear Mr Berrigan,

On 29 June 2021, Commission services requested EBA to study the EU dependence on non-EU banks and the funding in foreign currency of EU banks. In that context, the European Banking Authority published in October 2022 a report<sup>1</sup> containing the analysis of the market share of non-EU entities in the EU banking sector and the funding structure of EU banks, with a special focus on foreign currency funding. Building on this report, during the first quarter of 2024 Commission services mandated the EBA to submit on an annual basis the set of indicators that investigate the market share of non-EU entities, the funding structure and the asset and liability exposures in foreign currency funding. For the first iteration of this annual monitoring, the EBA submitted the analysis on funding structure and asset and liability exposures in foreign currency funding in December 2024 and submits the analysis on the market share of non-EU entities by March 2025.

The report on the analysis on the market share of subsidiaries of third country banking groups in the EU finds that the market share in EU of subsidiaries of third country banking groups was 10.17% of total assets, 8.17% of loans, 6.06% of debt securities and 33.73% of derivatives. The assets of subsidiaries of third country banking groups are mainly in the form of loans and derivatives. These asset classes represent 75% of the total assets as of December 2023.

By counterparty, the market share of assets towards credit institutions and other financial corporations is high and amounts to 31% and 22% of total assets towards these counterparties,

---

<sup>1</sup> [Report on EU dependence from non-EU entities Publication.pdf \(europa.eu\)](#)

respectively. In amounts, these counterparties represent 78% of all assets reported by subsidiaries of third country banking groups as of December 2023.

Most assets reported by subsidiaries of third country banking groups are held towards counterparties located outside of the home country (41% in other EU countries and 39% in non-EU countries). These assets located outside the home country are mostly towards credit institutions and other financial corporations. These counterparties represent 80% of the assets located outside the home country.

Subsidiaries of third country banking groups mainly get their income in the form of interest income (56% of total income), followed by fees and commission income (29%) and other operating income (15%). The market share on income items is 5.16% of interest income, 12.22% of fee and commission income and 32.28% of other operating income.

Subsidiaries of third country banking groups enjoy a high market share on fee income originating from commodities (77.34%), fiduciary transactions (48.74%) and collective investment (30.57%), among others.

Lastly, in terms of the market share on the assets involved in the services provided, the market share of subsidiaries of third country banking groups is high in central administrative services for collective investment (53.11%), fiduciary transactions (28.87%) and custody assets (20.55%).

Yours sincerely,

[signed]

José Manuel Campa

CC: Martin Merlin, Director, Directorate C, DG FISMA  
Ugo Bassi, Director, Directorate D, DG FISMA  
Klaus Wiedner, Director, Directorate E, DG FISMA  
Jannifer Robertson, Head of Unit, Unit C2, DG FISMA  
Almoro Rubin de Cervin, Head of Unit, Unit D1, DG FISMA  
Emiliano Tornese, Acting Head of Unit, Unit E1, DG FISMA  
Sebastijan Hrovatin, Deputy Head of Unit, Unit C2, DG FISMA  
Jung-Duk Lichtenberger, Deputy Head of Unit, Unit E1, DG FISMA

Encl: EBA Report on the analysis on the market share of subsidiaries of third country banking groups in the EU