

POSITION PAPER



ESBG high-level position paper on a digital euro. Bank funding, caps to holdings, competition, user perspective, cross-border payments, and a selection of use cases.

ESBG (European Savings and Retail Banking Group)

Rue Marie-Thérèse, 11 - B-1000 Brussels

EU Transparency Register ID 8765978796-80

June 2021



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I. Introduction.

Europe is at the forefront of innovation for retail payments, and especially banks and payments institutions, together with the Eurosystem and National Central Banks (NCBs), provide European citizens with efficient payments systems. The retail payment system is of the highest quality available, and full accessibility has been provided both in terms of physical access and financial inclusion. At this stage, we consider that if the ECB aims at developing a retail digital euro that both supports innovation and secures the digital economy, it will be necessary: (i) to complement gaps in the existing electronic payments services provided by banks, and (ii) to ensure that a digital euro does not take the role of the deposit account services provided by banks. A digital euro should be secure, easy to access and use, and adapted to the general public, while respecting existing banking and payment systems. Furthermore, it is of utmost importance to protect the privacy of European citizens, and some restrictions or enhanced consent requirements may be necessary to protect consumers from certain business models that may use data on transactions to target ads or offers, or to sell on to fourth parties. Therefore, we would welcome further description as to how a digital euro could complement – not replace – the existing market for payment services, including SCT Inst, as well as mobile payment services still in launch, market initiatives trying to leverage SCT Inst and also cash.

This paper will analyse five main topics. [Chapter 2](#) will describe the bank funding model and the bank's ability to provide the real economy with credit. Indeed, we believe any new form of currency brings about fundamental challenges and the introduction of a digital euro could have severe impacts on this important funding model for market participants and hence on the entire functioning of the EU economy. [Chapter 3](#) will discuss the topic of limits to individual holdings. [Chapter 4](#) will focus on the impact on intermediation and competition, while [Chapter 5](#) will consider the point of view of the customers. Finally, [Chapter 6](#) will examine cross-border payments.

For the success of a digital euro, it will be crucial to have a clear and easy understanding of the features that would distinguish a digital euro from other forms of euro payments and that would make it attractive for both corporates and consumers. From this point of view, we believe it should be further assessed what gaps would be filled by a digital euro, meaning what needs would be addressed by means of a digital euro that a 'physical' euro and the current private sector operated payment system cannot meet. In doing so, the ECB should also analyse whether current payments solutions could not be simply adjusted to achieve said goals. To this end, in [Annex I](#), we have collected and described some use cases that could especially benefit from the issuance of a digital euro.

Going forward, we recommend decisions be taken carefully and with a clear view on the main objectives that the ECB wants to pursue, also considering effects on Countries outside the euro area or even outside the EEA area. ESG and its Members stand ready to further engage with the ECB and to support the development of a digital euro.



II. Bank funding and ability to provide credit to the real economy.

In its report, the ECB acknowledges that the introduction of a digital euro could induce depositors to transform their commercial bank deposits into central bank liabilities. This would impact the funding costs of banks, which in turn could increase the rates on bank loans. This could also potentially curtail the volume of credit to the economy. In our opinion, it is central to preserve financial stability and avoid a digital euro becomes an alternative to bank deposits; otherwise, there is a risk of transforming bank deposits into central bank liabilities. This is especially true in a crisis situation where the demand for the digital euro may increase dramatically, as it would constitute a risk-free asset. This could in turn trigger and precipitate bank runs and in the worst-case scenario, lead to a systemic financial crisis.

Under normal market conditions with the digital euro, the logical solution for commercial banks will be to switch from deposit-based funding to market-based funding. Capital markets funding has historically been more expensive compared with deposits. But the impact of funding costs might be even higher. If the demand of market funding increases due to the fact that banks in the euro area need to compensate for lost deposits but the provider base remains the same, there is also a risk that it will be more expensive to use such funding. Another general remark is that market-based funding is not only more expensive, but also more unstable, and hence, riskier from a financial stability point of view. Additionally, there is a risk that credit rating agencies will reevaluate their credit ratings of banks following the changes in their funding structure (i.e., less deposit funding and more market funding).

A more challenging unintended effect could be that some banks will have difficulties to change their funding model – see current funding composition in [Chart 1](#). The reason for this is that not all saving and retail banks in the euro area have access to such funding today. This could have the result that smaller banks could be outcompeted by larger competitors and that they would not be able to provide credit to their customers in the same way they do today. It should be noted that deposit financing stood at 55% in the euro area in 2018, with an increase of 3% since 2016 compared to the share of deposits in total funding¹. Moreover, bank deposit taking functions are already heavily impacted by the current (sometimes below) zero interest rates.

In our view, the introduction of a digital euro must be surrounded by a policy framework that ensures that banks' funding structure will not be negatively impacted. This, in turn, could severely hamper EU banks credit intermediation capacity. Moreover, we are worried about what effect a digital euro could have on the retail and saving banks' ability to compete in a level playing field if they would be forced to use market-based funding to a larger extent. As such, we would be interested in understanding how the ECB is planning to address the issue of smaller banks not being able to fund themselves in the markets and whether it is envisaging some sort of LTRO or TLTRO-like mechanisms.

¹ ECB (2020), Financial Integration and Structure in the Euro Area, p 46, available at <https://www.ecb.europa.eu/pub/pdf/fie/ecb.fie202003-197074785e.en.pdf>.



III. Caps on digital euro holdings.

To ensure financial stability and credit intermediation, we believe there must be mechanisms in place that ensure the ECB can manage the quantity of digital euro in circulation used for transactions. A digital euro must be designed as an instrument for retail payments only, thus avoiding any possible use of it as an investment tool. In other words, managing the quantity of digital euro in circulation should be the means to an end, while the end should be to avoid it becoming an investment vehicle. This, in turn, would ensure financial stability. Another aspect that would need to be analysed further is whether or not limitations or remunerations of the digital euro could lead to deposits becoming an instable funding source for commercial banks. This is especially relevant in a crisis situation where depositors might want to shift from bank deposits to digital euro. This could also negatively impact banks' liquidity levels, resulting in unstable levels of indicators and regulatory requirements such as Liquidity Coverage Ratio (LCR).

We are in favour of limits to individual holdings of digital euro. Caps to holdings would limit the risk of bank runs and, for this reason, once agreed and introduced, should be maintained stable. Individual limits to holdings are a critical tool to prevent an excessive build-up of liquidity in digital euro accounts or wallets, which could seriously impinge on the transmission of monetary policy through the credit channel as well as raise financial stability issues due to bank runs that could be facilitated by a digital euro. Said limits to holdings should take into consideration not only the cash needs for payment purposes in the euro area, but also the net salary differences that exist between European countries. In this respect, we suggest € 1,500 as a maximum limit to individual holdings.

We are also of the opinion that limit on individual transactions might be necessary, both at the transaction level and on a cumulative monthly or weekly basis. Such limits would have two purposes. On the one hand, they would serve as an additional lever to control the speed at which deposits could be converted into digital euro. Out of prudence, conservative cumulative limits could be imposed during the deployment phase of the digital euro. Once the deployment was more advanced and the substitution between deposits and digital euro was well understood, such cumulative limits could be raised. On the other hand, an upper limit per transaction would preserve the degree of payment information that is currently available to banks to perform credit scoring. High value purchases paid with cards or deposit transfers convey valuable information to assess the creditworthiness of an individual. Given the higher degree of privacy intended for payments in digital euro, we are concerned such information would no longer be available for credit assessment, thus impairing the efficiency of banks' lending activity. Limits on individual transactions already exist in different member states for different payment methods, such as cash and instant payments. We believe those applicable to digital euro could be aligned with them without significantly impacting its acceptance or usage.

We encourage the ECB to ensure that the decision process defining the maximum limits will be backed up by proper analysis and motivation, including an impact assessment. Further, it is our view that the policy framework for how the limit is



set should be robust and transparent, ensuring that it cannot be changed for example due to political pressure in a crisis situation. Finally, further analysis should be carried out on whether limits to holding should affect sole traders (i.e., individuals that run a business without being a company) and/or corporates too and, if so, to what extent. Below, we have highlighted a few aspects we believe should be considered when defining the maximum limit of holdings.

Purposes of cash

We understand the Eurosystem is thinking of fixing a cap at € 3,000, that being the average amount of euro held in cash by European citizens. In trying to understand the data, we noticed that said amount could be derived from a basic calculation: the value of euro banknotes in circulation (roughly € 1,293 billion at the end of 2019) divided by the population living in the euro area (roughly 342 million in 2019). The result is roughly € 3,780 in cash per capita. However, we believe an appropriate cap should also consider that cash can be used (and stored) for different purposes. Indeed, cash can be stored in wallets for domestic transactions, but it can also be hoarded for savings purposes. Moreover, a great part of euro banknotes circulates and is held outside of the euro area – and that will probably even rise further if the international role of the euro is strengthened.

We understand it is a very difficult endeavour to determine what part of euro banknotes are kept for what purpose, as cash usage is mostly unobservable. To put it simply, “there are grey areas where it is impossible to define when a banknote is held for transaction purposes or as a store of value”². According to a recent study³, between 30% and 50% of the value of euro banknotes was held abroad in 2019 and this share has been increasing in recent years. Moreover, between 27.5% and 50% of the value of banknotes in circulation is estimated to be stored in the euro area in 2019, meaning that per-adult cash reserves (of euro area citizens as well as of banks and companies) range between € 1,270 and € 2,310⁴. However, it should be stressed that this per-adult amount includes not only people’s holdings, but also cash held by euro area monetary financial institutions (MFIs) and companies. As such, we conclude that on average, each EU citizen holds an amount of cash well below the average of € 3,000 calculated above. In addition, in 2020, the Eurosystem conducted a Study on the Payment Attitudes of Consumers in the Euro area (SPACE). The SPACE results show that 34% of respondents reported keeping cash reserves at home. Of those, 7% refused to disclose how much cash they keep at home. Moreover, “despite their relatively small number, respondents hoarding more than € 10,000 have a noticeable impact on the calculation of the average amount of cash stored outside a bank”⁵.

² Zamora-Pérez A (2021), “The paradox of banknotes: understanding the demand for cash beyond transactional use”, published as part of the ECB Economic Bulletin, Issue 2/2021, available at https://www.ecb.europa.eu/pub/economic-bulletin/articles/2021/html/ecb.ebart202102_03-58cc4e1b97.en.html.

³ Lalouette L, Zamora-Pérez A, et al (2021), “Foreign demand for euro banknotes”, ECB Occasional Paper Series, No 253, available at the following link: <https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op253-5a3d5de1d1.en.pdf?cd5a0044b2d05dff65e6e3961a857665>.

⁴ Zamora-Pérez A (2021), “The paradox of banknotes: understanding the demand for cash beyond transactional use”, published as part of the ECB Economic Bulletin, Issue 2/2021, available at https://www.ecb.europa.eu/pub/economic-bulletin/articles/2021/html/ecb.ebart202102_03-58cc4e1b97.en.html.

⁵ ECB (2020), Study on the payment attitudes of consumers in the euro area (SPACE), p. 52, available at the following link: <https://www.ecb.europa.eu/pub/pdf/other/ecb.spacereport202012-bb2038bbb6.en.pdf>.



Cash hold on average for transactional purposes

We have collected some data that we hope can be useful in determine the amount of cash that citizens in the euro area use monthly for transactional purposes (see [Annex II](#)). Indeed, we believe this is the best indicator to determine a coherent cap for digital euro holdings: if a digital euro will be a means of payments with cash-like features, cash in European wallets should be the main benchmark for comparison purposes. In [Table 1](#), we have derived the average number of ATM withdrawals for each EU Country and the average value per ATM withdrawal. Based on that, we have determined that every month, on average, each European citizen withdraws € 271.93 in cash from ATMs (with a maximum of € 483.15 in Austria and a minimum of € 176.30 in France). Assuming that citizens withdraw cash when they have spent the money in their wallet, we trust this is reasonably the monthly amount of cash that each citizen uses for daily purchases and transactions.

Net salaries in the euro area

Another key element that should be taken into account when determining the limit to digital euro holding is the average net income in the euro area. The deposit of salaries represent for the vast majority of banks the main contact with their customers. If salaries were to be paid entirely in digital euro, disintermediation would become a reality, as workers would be tempted to open their accounts in digital euro only. Irrespective of whether these accounts were to be opened directly with the ECB, banks are at risk of losing the information of clients' transactions that allow them to offer better services and products. This will also depend on the concrete design of a general ledger and on whether offline transactions will be allowed. Moreover, without onboarding, KYC and CDD, banks would be unable to perform key activities, like AML/CFT checks. Who would then perform said regulatory checks? To that end, in [Table 2](#) we have derived the net monthly earnings based on Eurostat data referred to single persons without children earning 100% of the average earning in 2019. Based on that, the average net monthly salary in the Eurozone amounts to € 2,239 – which is, once again, well below the € 3,000 envisaged by the ECB. It should also be added that these represent a mathematical average, that does not take into consideration that in almost all euro area countries, more than 10% of the employees are low-wage earners (i.e., employees earning two thirds or less of the median gross hourly earnings – see [Chart 3](#)). This would mean that in a near future the majority of European workers could receive their entire monthly net salary in digital euro.

IV. Impact on intermediation and competition.

We believe it is in the interest of central banks to keep the current intermediation role of commercial banks. First, because a digital euro would be an additional means of payment and, as such, it should be integrated into banks commercial offers just as other means are. Second, because banks already have all the mechanisms in place (AML monitoring, customer profiling via data, customer relations, customer contact channels, administrative management, etc.) and do



not have the means to replace them. If deposits were to be made directly to a central bank, this institution would have to maintain customer support, incident reporting and transaction monitoring to minimize the levels of fraud, misuse, and money laundering in the system. As the banking industry already has such capabilities, it would be more than reasonable to employ them, especially considering that neither the ECB, nor any other NCB, have sufficient know-how nor experience nor the required capabilities to provide these services.

A digital euro offered directly by the ECB would lead to banking disintermediation, disrupt the efficient allocation of credit, and furnish the ECB with new *de facto* powers. This, in turn, would be detrimental to the efficient allocation of credit in the economy. Additionally, should the issuance of a digital euro lead to centralised allocation of credit by central banks, it would put the ECB in breach of Article 127 TFUE, pursuant to which “[t]he ESCB shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, and in compliance with the principles set out in Article 119”.

Hence, a clear governance framework needs to be agreed upon to ensure that the central bank does not provide end-to-end payment solutions, but instead relies on supervised private institutions in the distribution and provision of user-facing services. In this regard, it is very important to avoid any distortion of competition in the provision of these services. Two main issues may jeopardize the level playing field. First, commercial banks participate in and operate the largest electronic payment systems (i.e., cards and SEPA) which have all the characteristics required by regulators. Promoting a system providing a very similar service without the proper regulatory constraints, or without exerting the same intensity of supervision, would put banks at a structural disadvantage. Second, and as stated above, a digital euro could reduce the information available to banks for assessing credit risk. This loss of information would add to the already existing access asymmetry to customers’ data between banks and other players such as bigtechs.

Finally, another aspect that should be carefully taken into account with regards to competition in the provision of payments services is the growing importance of DLT technologies. DLT technology will have extensive implications not only for consumers and businesses, but also for the stability of the euro. The wider interaction between central bank and commercial bank money will also be affected. A digital euro will play a significant role in this context, as we believe the full efficiency of a future payment infrastructure will only be achieved with the combination of the conventional payment system with a token-based, high-performance solution from commercial banks (so-called tokenised commercial bank money).

Several challenges can stem from this: first, it is necessary to preserve the monetary sovereignty of the euro area and ensure that consumers still have access to central bank money, even if their payment preferences change. At the same time, innovative solutions need to be developed to meet the growing demand of businesses for programmable payments, enabling more efficient business transactions. Finally, the two-tier banking system must be preserved so



that the stability of the monetary system is not threatened. Therefore, we argue that besides a digital euro, tokenised commercial bank money and trigger solutions (as a link between conventional payment solutions and modern customer DLT) could play a role in the payment system of tomorrow.

V. User perspective.

A digital euro should be easy to understand and to use for all kind of customers. Putting aside the implementation costs, the ECB and commercial banks may face difficulties in explaining to customers what a digital euro is and why and for what purpose they should use it. After all, we have reasons to believe the concept of central bank money and its difference with commercial bank money is not entirely clear to the general public. Finally, we consider crucial to already develop an exit strategy, in case things do not work out as expected.

With respect to the end users' trust in a future digital euro, the Eurosystem should acknowledge that banks and payment institutions have been able to provide financial services users and retail payment users with a high level of consumer protection. Besides, commercial banks have the necessary know-how and experience required to deliver fast and reliable retail payments and have built trustworthy infrastructures in coordination with public bodies. Nowadays, customers (both retail and business) expect banks to provide a full range of payment services; in turn, banks have matured a long experience in providing advice and customer care. Furthermore, customers will expect banks to provide additional services and features on top of a digital euro, as it is now the case with payment services. In this context, who will help customers, if banks do not have a role in distributing a digital euro? And how will banks ensure customers are provided with all the services they need? Moreover, if banks and payment institutions are defined as intermediaries of a digital euro, they will be the most interested parties to deliver the most trustworthy services and user experiences, as they can become a cornerstone of any kind of payment service provided in the euro area.

VI. Cross-border payments.

In contrast to many payment services, current solutions to deliver cross-border payments could be significantly improved. While domestic payment services (i.e., intra-EU) are already well developed and essentially work without frictions, we believe cross-border interoperability should be among the top priorities of the ECB. The banking industry is well aware of this and has started thinking about launching innovative projects and initiatives using commercial money. Said initiatives aim to improve cross-border payments, both globally and at European level. Digital coins have many features – real-time settlement, traceability and programmability – that if applied to cross-border payments could significantly improve both the quality of the service and the associated risks. Thus, there is room for a private global stablecoin to emerge and address these use cases. Building global acceptance is no easy task and these kind of stablecoins would most likely be controlled by a small number of private companies, leading to many



issues in terms of competition, financial stability risks and sovereignty of monetary policy. An arrangement of CBDCs would be a much preferred outcome: not only would it avoid all these issues, but also could further reduce credit and liquidity risks associated with cross-border financial transactions. We acknowledge such a project would involve international arrangements aimed at, inter alia, harmonising the regulatory frameworks, but we believe it should be one of the priorities of the ECB.

Among the use cases that could benefit the most from cross-border payments enabled by CBDCs, retail remittances and trade finance services for SMEs are particularly relevant. In the case of remittances, the poor experience of current solutions is a costly burden that particularly affects a vulnerable segment of the population. As for trade finance, several DLT solutions are being developed that try to reduce operational barriers and build trust between trade partners with the aim of fostering the internationalisation of European SMEs. However, these DLT applications have to rely on existing cross-border payment solutions, which prevents them to fully exploit the benefits of the technology.

Both remittances and trade finance services could significantly benefit from a CBDC that could allow transactions to be performed instantly on a bilateral basis, 24/7/365. For banks this could imply significant savings in terms of capital (immediate settlement would reduce unsettled trade risk, counterparty and institutional risk, as well as providing additional risk mitigation due to there being no credit lines or locked capital held in accounts). But benefits would extend to the end-customer (households and firms), most notably in the form of increased speed (instant cross-border payments), transparency – especially regarding costs (i.e., unclear foreign exchange rates, unpredictable fees and unknown payment status), and settlement risk.

A selection of use cases that we believe would benefit from a digital euro can be found below in [Annex I](#).



Annex I. A selection of use cases.

Use case #1: LOW COST FOR REMITTANCES **Cost like cash is another objective**

Use case: Mr. Radu works in Germany in agriculture and out of his salary he sends on monthly basis a certain amount to its family in Romania. Because he is working as seasonal, it makes no sense to pay for a bank account. Usually, Mr. Radu sends money via WU, for convenience, but the fees are extremely high, up to 12% (one month salary). The money he would save, could open a bank account with.

Solution: Mr. Radu, after passing the onboarding regulatory checks for AML/KYC requirements, would download an app or wallet to use it for these purposes. Because of simplicity, the banks would be able to offer “bank-lite” services that enable mobile and digital p2p payments.

Prerequisites (or what needs to be validated during development): Prove that mobile wallets can meet the AML/KYC standards, manage distributed identity and user verification and especially is cost efficient.





Use case #2: INTERNATIONAL BUSINESS

Fast, cheap and interoperable

Use case: Musterman GmbH is producing car parts and has suppliers and customers all over the world. Due to partners geographical distribution, payments are conducted in different currencies through different corridors (corresponding banks). The company's main concern is that all invoices (in/out) are paid in full and on time. The faster invoices are paid, the sooner products are delivered. Businesses also need to consider currency exchange risks as exchange fluctuations during the time of a payment can leave the payment worth less than expected.

Solution: A Digital Euro would enable a real-time payment option for EU businesses to receive and make payments with a much higher level of security, finality, speed, and ease, with materially reduced fees. A digital coin would enable the ability to pay counterparties without the need of an intermediary. The technology would enable multiple parties to keep records across all transaction participants to improve reconciliation which reduces fraud and/or omissions. This also helps data processing efficiency, which could reduce back-office costs.

Prerequisites (or what needs to be validated during development): A pilot focusing on international payments should explore the potential of a EU CBDC in cross-border payments. Pilots should be conducted under two scenarios, first that the other country has launched a CBDC that is interoperable with a Digi EURO. Secondly, it should evaluate the efficiency gains for transacting with Digital Euro against a non-CBDC currency.





Use case #3: INTERNATIONAL PAYMENTS Streamlining the Correspondent Banking Network

Use case: Currently, cross border transactions are typically conducted by financial institutions (=banks) using (mainly) the swift network of corresponding banks. For cost reasons, more and more banks are reducing the number of connections (minus 20% in last 5 years) which in the end might generate an increase of processing price.

Solution: a Digital EURO based on DLT would enable direct relations between financial institutions regardless of pre-existing correspondent relationships. Banks would no longer need to maintain nostro/vostro banking structures to execute payments and transfers internationally. This ability would increase the speed (real time) and efficiency of global trade and finance. Given the EUR is currently the most used currency in EU, it is reasonable to assume that there would be international counterparties willing to accept and maintain a EURO balance.

Prerequisites (or what needs to be validated during development): Necessary to engage a non-EU central bank with strong relations with EU (e.g., Switzerland). This will validate also the alignment & compliance of both sides' laws and regulations. Of course, the main focus would be on real time settlement, cost efficiency and interoperability.





Use case #4: INCLUSION

Allow access to digital product and services also to population without a bank account or with a limited access to the system

Use case: Ms. Popa lives in a rural area in Romania, not easy to reach. In trend with the banking sector, the only bank available in entire area closed, decommissioning also the ATM. The location has internet issues making the online purchases very difficult. Few merchants are visiting the area bringing goods, however requiring cash payment (cards often do not work). Ms. Popa, as the entire village, owns a smartphone.

Solution: Ms. Popa could have access to products and service online when the internet is working; he can also pay directly to merchants offline. The first time she has to be onboarded by a local regulator unit to pass the AML/KYC requirements. Once the identity credentials are confirmed, Ms. Popa can download the Digi EURO app or wallet and proceed with payments. These can be done also offline and as well via phone signal.

Prerequisites (or what needs to be validated during development): Prove that mobile wallets can meet the AML/KYC standards, manage distributed identity and user verification, and prove offline transaction functionality. UX for un-banked population shall be ensured. Even if cost or transaction will not be the main driver to use such a solution in this use case, a reduced cost shall be targeted.





Annex II. Data.

Table 1. Average figures on ATM usage per country in the EU in 2019 based on ECB data

Country	Average number of ATM withdrawals per inhabitant (per year) ¹	Average Value per ATM withdrawal ²	Average withdrawals in euro per inhabitant (per month) ³
BE	20.1	155.55 €	260.14 €
BG	16.6	- €	- €
CZ	16.2	175.62 €	236.76 €
DK	8.3	202.90 €	140.80 €
DE	24.1	192.24 €	386.48 €
EE	24.3	123.42 €	250.00 €
IE	23.2	147.63 €	285.71 €
GR	21.4	181.30 €	323.21 €
ES	18.5	136.42 €	210.54 €
FR	21.2	100.01 €	176.30 €
HR	26.0	107.98 €	233.74 €
IT	16.7	200.00 €	278.97 €
CY	19.7	197.74 €	324.07 €
LV	23.1	121.00 €	232.46 €
LT	19.4	170.96 €	276.79 €
LU	21.0	214.29 €	375.00 €
HU	10.6	222.76 €	196.43 €
MT	26.0	146.15 €	316.67 €
NL	13.3	160.78 €	177.75 €
AT	31.4	184.75 €	483.15 €
PL	15.7	129.32 €	168.84 €
PT	39.3	69.91 €	228.96 €
RO	14.7	159.76 €	195.45 €
SI	24.7	113.90 €	234.13 €
SK	16.6	163.93 €	227.27 €
FI	16.1	116.38 €	156.06 €
SW	8.2	111.90 €	76.05 €
UK	33.2	84.00 €	232.53 €
EU	21.3	139.41 €	246.91 €
Euro area	21.0	155.14 €	271.93 €

1. To note that these figures are just derived by dividing the total number of ATM transactions by the total number of inhabitants.
2. To note that these figures are just derived by dividing the total value of ATM transactions by the total number of ATM transactions respectively.
3. To note that these figures are just derived by dividing by 12 the yearly value of ATM withdrawals.

Source: ECB Statistical Warehouse.



Table 2. Net earnings in the EU: Single person without children earning 100% of the average earning in 2019 based on Eurostat data

Country	Average net earnings in EUR ¹	Average monthly earning in EUR ¹
Belgium	€ 30,189	€ 2,516
Bulgaria	€ 6,093	€ 508
Czechia	€ 11,837	€ 986
Denmark	€ 37,408	€ 3,117
Germany	€ 31,582	€ 2,632
Estonia	€ 14,170	€ 1,181
Ireland	€ 36,129	€ 3,011
Greece	€ 15,954	€ 1,330
Spain	€ 21,482	€ 1,790
France	€ 28,205	€ 2,350
Croatia	€ 9,577	€ 798
Italy	€ 21,552	€ 1,796
Latvia	€ 9,144	€ 762
Lithuania	€ 9,795	€ 816
Luxembourg	€ 42,651	€ 3,554
Hungary	€ 9,562	€ 797
Malta	€ 19,107	€ 1,592
Netherlands	€ 37,447	€ 3,121
Austria	€ 32,325	€ 2,694
Poland	€ 10,259	€ 855
Portugal	€ 14,056	€ 1,171
Romania	€ 7,231	€ 603
Slovenia	€ 13,298	€ 1,108
Slovakia	€ 9,975	€ 831
Finland	€ 31,971	€ 2,664
Sweden	€ 32,428	€ 2,702
Iceland	€ 47,254	€ 3,938
Norway	€ 45,690	€ 3,808
United Kingdom	€ 35,890	€ 2,991
EU	€ 25,509	€ 2,126
Euro area	€ 26,867	€ 2,239

1. To note that, for ease of reading, the amounts are rounded up to no decimal.
Source: Eurostat.





Chart 1. Breakdown by category of financial assets (left panel) and liabilities (right panel) of euro area MFIs left-hand

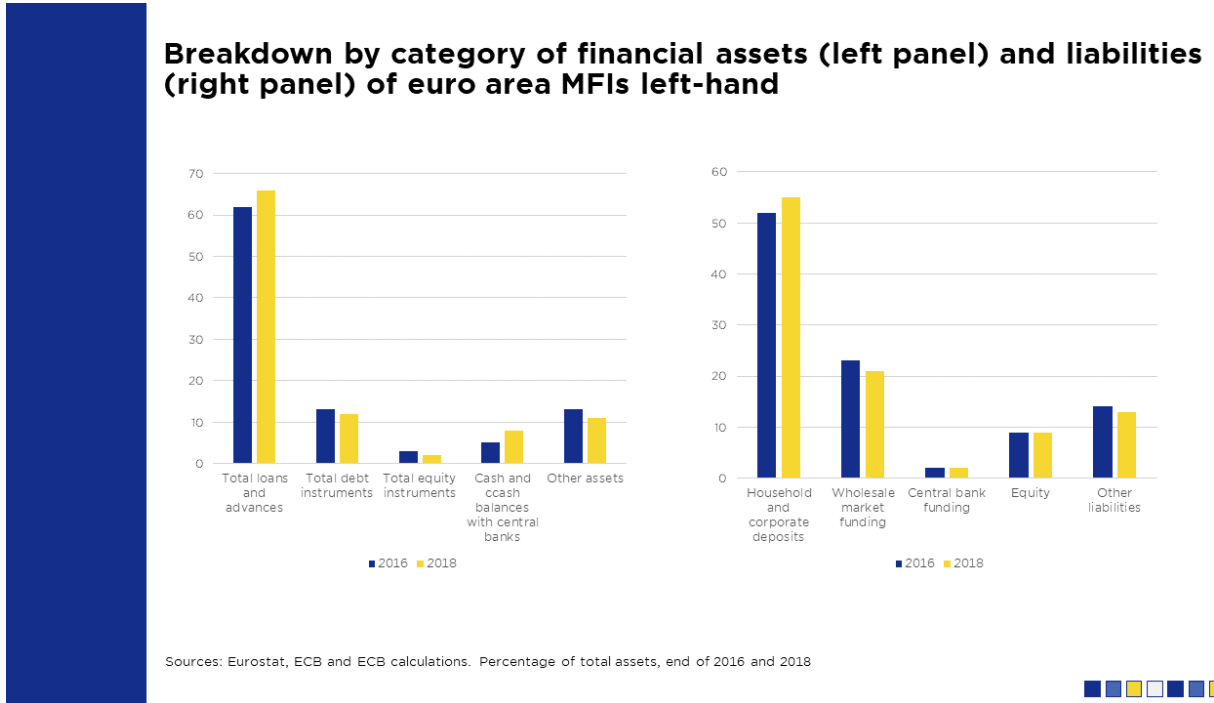




Chart 2. Annual net earnings in 2020.

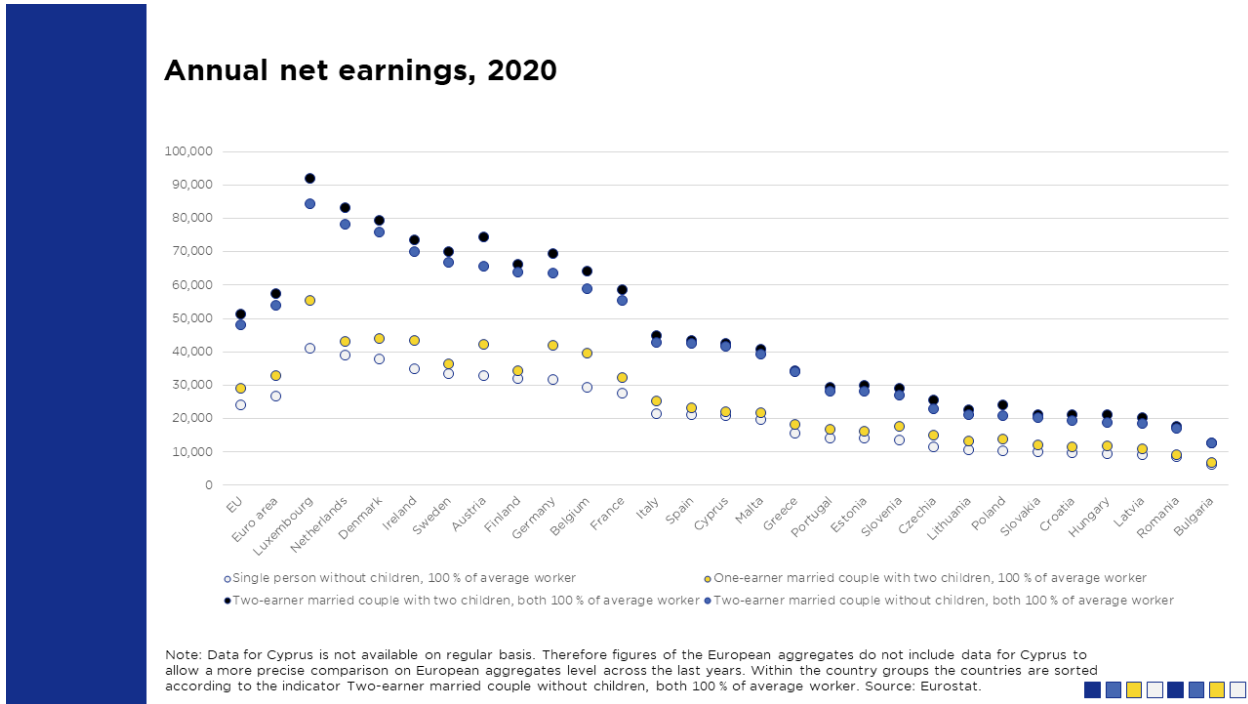
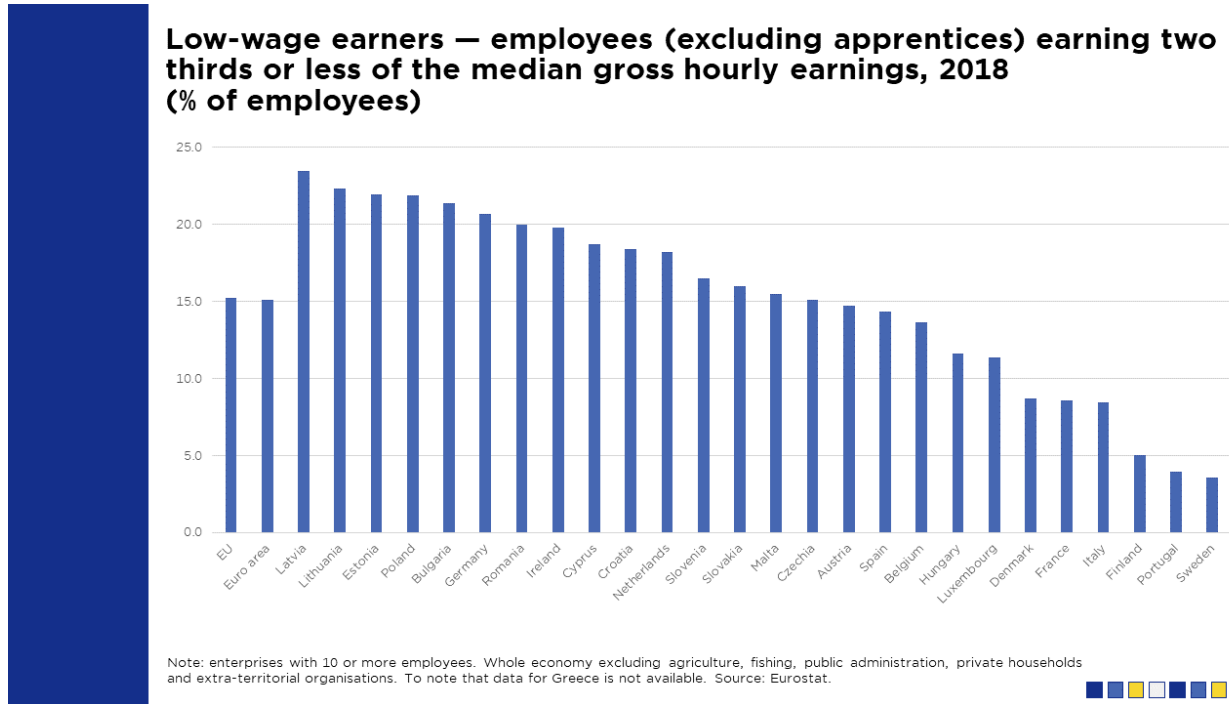




Chart 3. Low-wage earners in 2018.





About ESBG (European Savings and Retail Banking Group)

ESBG represents the locally focused European banking sector, helping savings and retail banks in 18 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 885 banks, which together employ 659,797 people driven to innovate at 47,198 outlets. ESBG members have total assets of €5.7 trillion, provide €1 trillion in corporate loans, including to SMEs, and serve 162 million Europeans seeking retail banking services. ESBG members commit to further unleash the promise of sustainable, responsible 21st century banking. Learn more at www.wsbi-esbg.org.



European Savings and Retail Banking Group - aisbl
Rue Marie-Thérèse, 11 ■ B-1000 Brussels ■ Tel: +32 2 211 11 11 ■ Fax : +32 2 211 11 99
Info@wsbi-esbg.org ■ www.wsbi-esbg.org

Published by ESBG. June 2021