

Small credit institutions and commercial banking for SMEs and natural persons

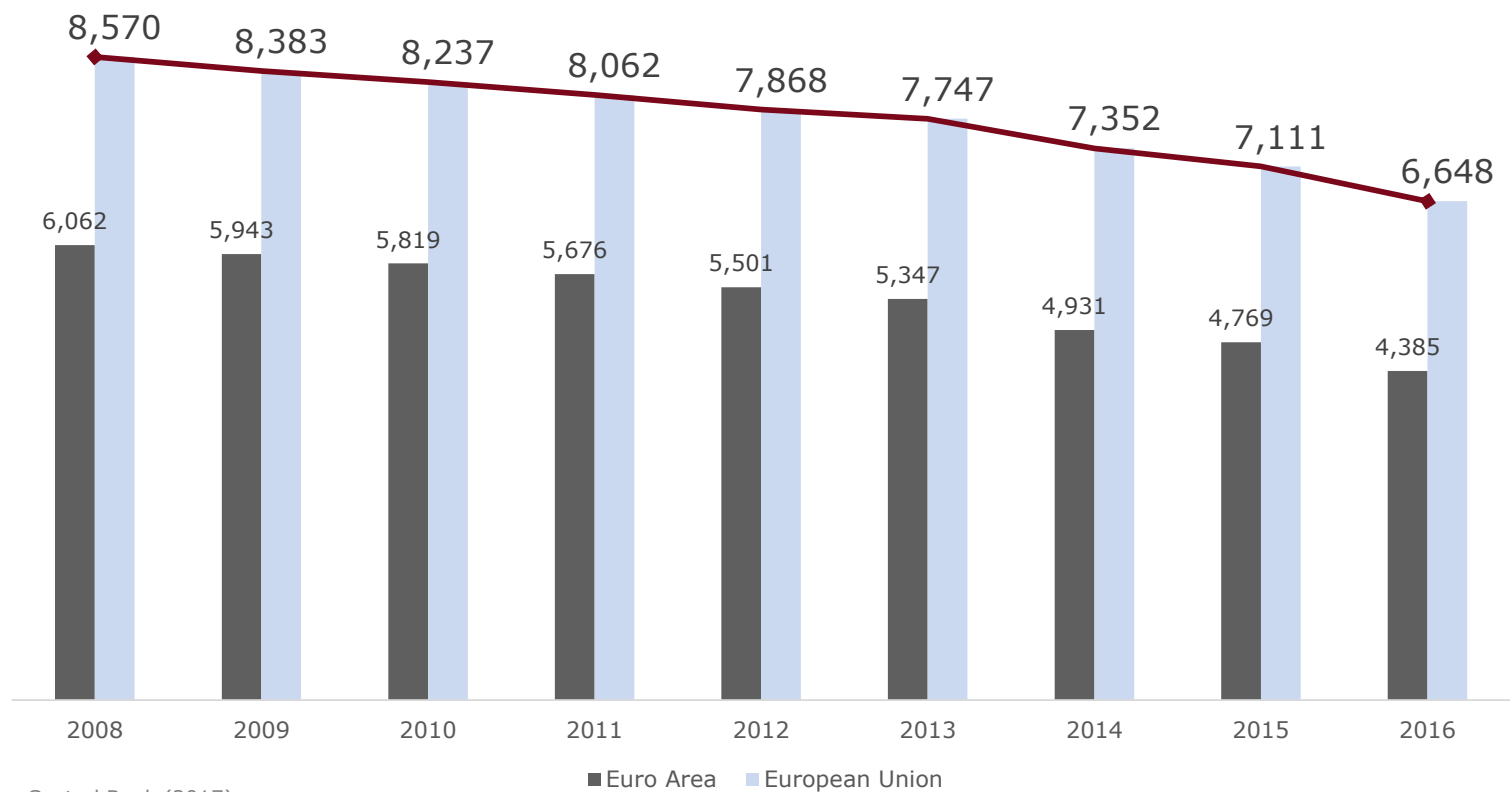
Author:	Martina Küster
Place:	Ljubljana
Date:	19 October 2018
Name of the event:	What future for small commercial banks in Europe?

Agenda

1. Consolidation: European and German banking market
2. Diversity
3. Private Banks in Germany – Association of German Banks
4. Small banks
 - a) Special corporate culture and fundamental values
 - b) Key assets
 - c) SMEs - Natural counterpart to small banks

The European banking market

How many banks are there in Europe?



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Source: European Central Bank (2017)

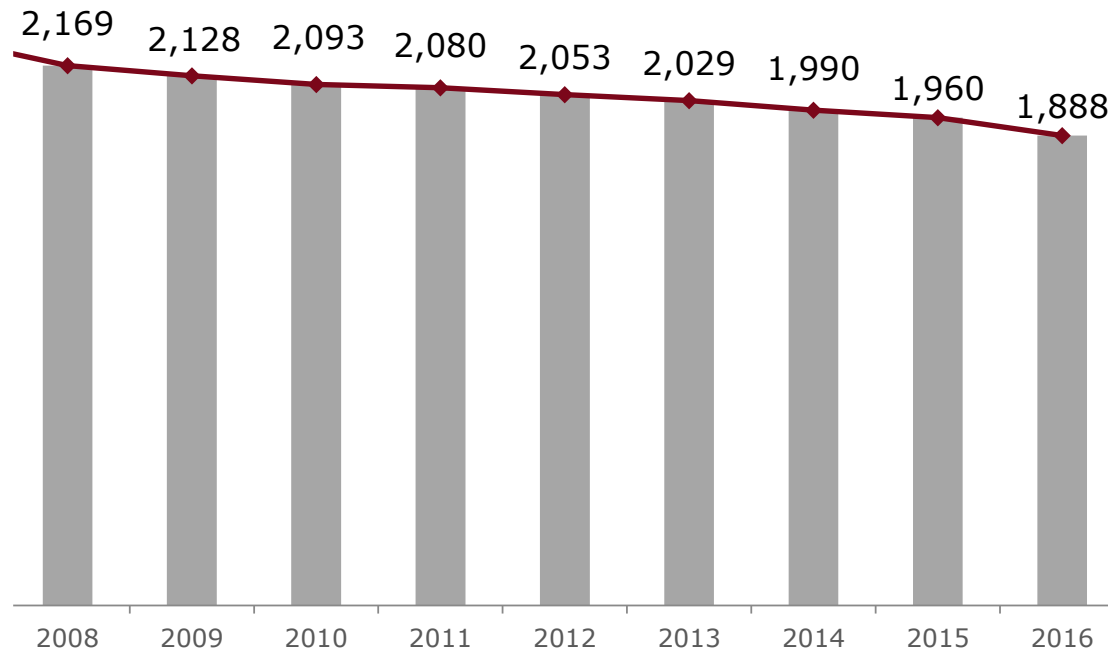
The German banking market (1)

The German Banking Industry Committee (Deutsche Kreditwirtschaft)
– member associations

<p>Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. Bundesverband deutscher Banken e. V. Bundesverband Öffentlicher Banken Deutschlands e. V. Deutscher Sparkassen- und Giroverband e. V. Verband deutscher Pfandbriefbanken e. V.</p>					 <p>Die Deutsche Kreditwirtschaft</p>				
 <p>(Association of German Cooperative Banks)</p> <p>Around 1,000 cooperative banks, one cooperative central bank</p>		 <p>(Association of German Banks)</p> <p>Around 200 private banks and extraordinary members, eleven member associations</p>		 <p>(Association of German Public Banks)</p> <p>Around 60 public banks and extraordinary members (Landesbanken, development banks)</p>		 <p>(Savings Banks Finance Group - German Savings Banks Association)</p> <p>Around 400 savings banks, seven Landesbanken, DekaBank, eight Landesbausparkassen, eleven direct insurance groups</p>		 <p>(Association of German Pfandbrief Banks)</p> <p>46 Pfandbrief banks (across all "pillars" of the banking sector)</p>	

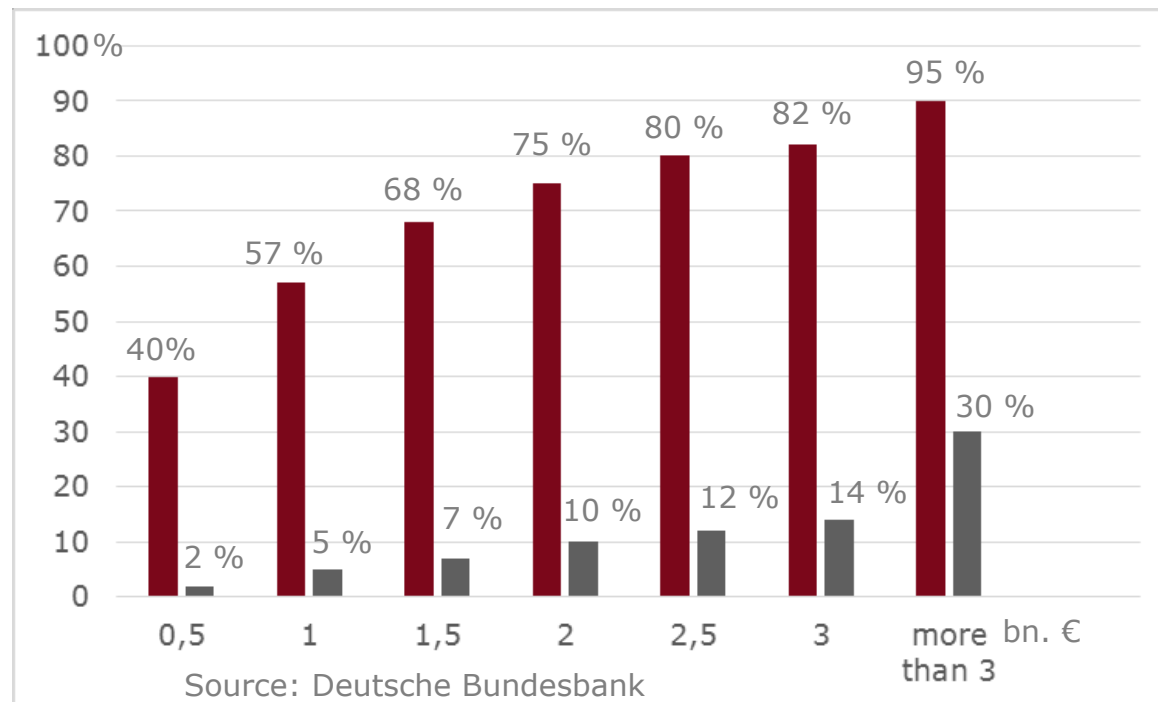
The German banking market (2)

How many banks are there in Germany?



Diversity in the banking sector

- 82% of all banks in Germany are small.
- Many of them are private banks; they compete with each other.



- Number of institutes in % of all institutes in Germany
- Total assets in % of the whole banking market in Germany

The private banks in Germany

281

private banks with

(204 association members and a further 77 private-sector institutions in Germany)

9,407
domestic branches

41%

market share

(measured in terms of the total assets of the German banking industry)

175,000 employees



The Association of German Banks

- 204 banks: from global bank to regional bank
- Sub-divided into:
 - Big banks (4)
 - **Regional banks (78)**
 - Foreign banks (86)
 - Private bankers (21)
 - Extraordinary members (15)

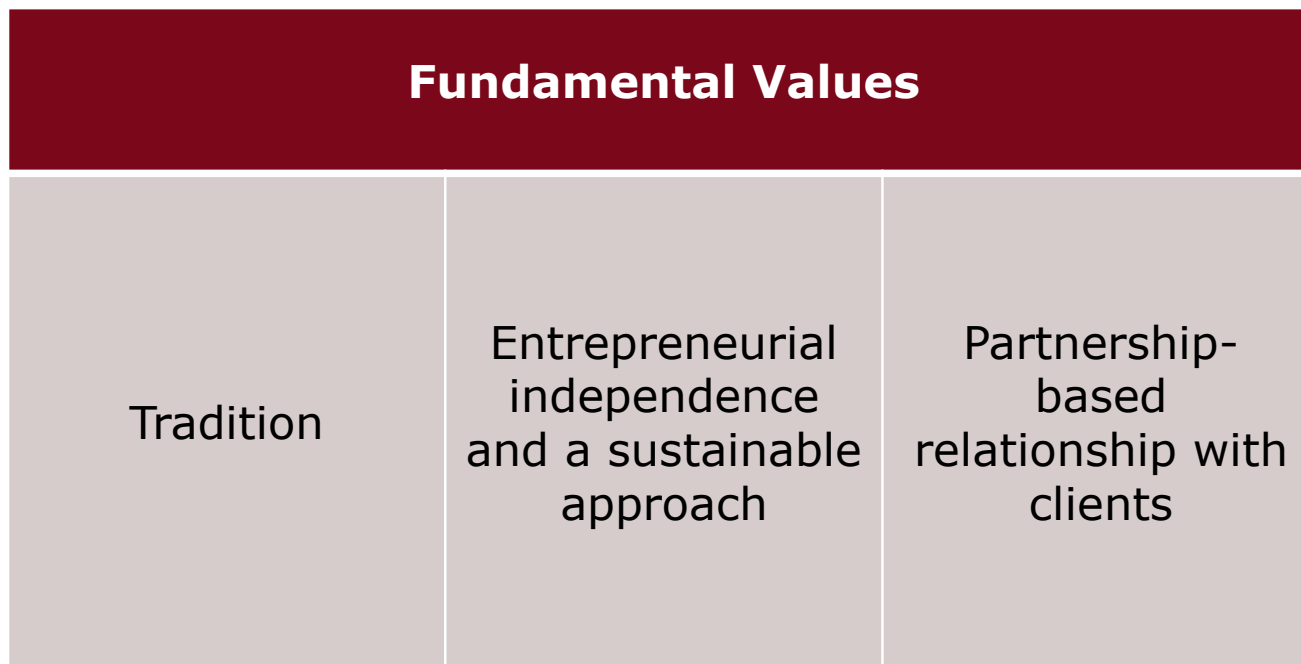
- All member banks compete with each other

- Eleven legally independent member associations



Small banks

Special corporate culture and fundamental values

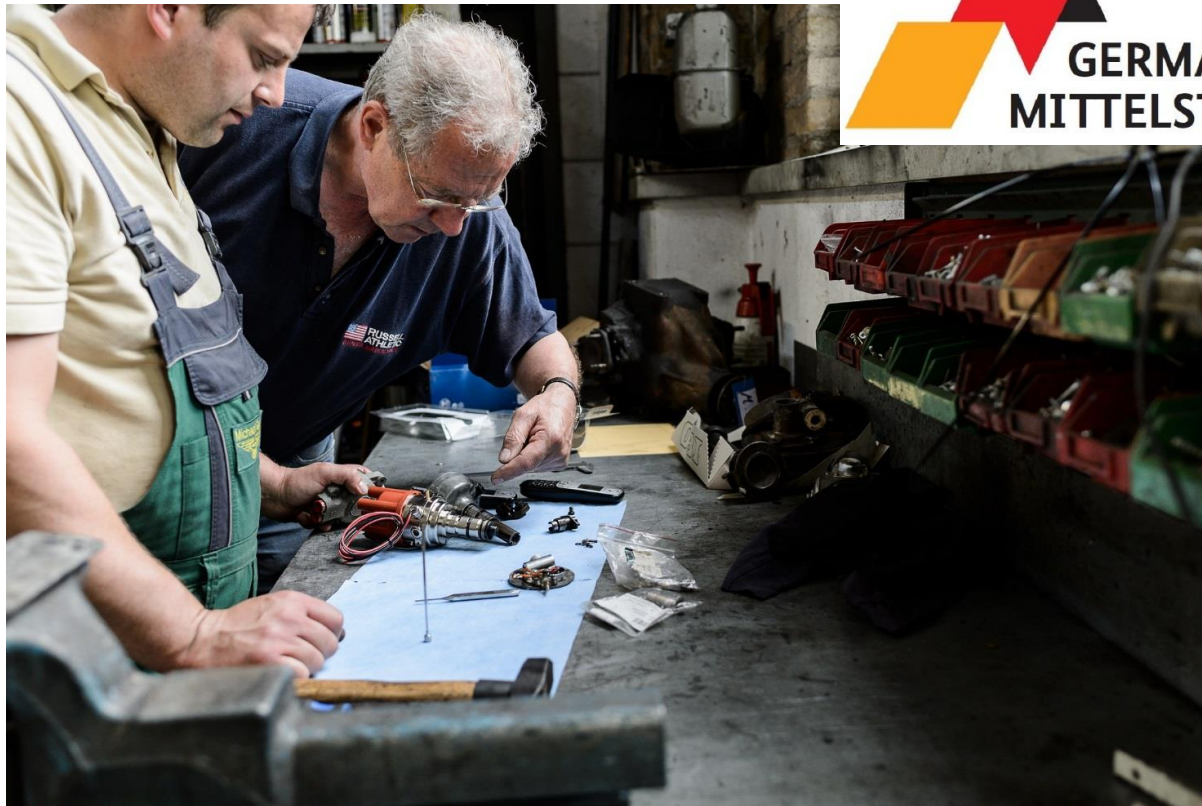


Small banks

Key assets

- Regional institutes are often the backbone of the regional economy and consumers
- Physical proximity / On-site service
- Better access to so-called soft and local information in lending

The German Mittelstand (SMEs) Natural counterpart to small banks



Thank you for your attention

Association of German Banks

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