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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

EBA-2025-D-5310

31 October 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 report¹ 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. Based on this mandate, the EBA delivered two reports that were published in the EBA website in April 2025². After the submission of the first iteration of the mandate, DG FISMA reiterated the mandate for the exercises 2025-2027³. The EBA is mandated to provide the available indicators (previous year-end data) and the related explanatory notes by mid-November of each of the next three years (2025-2027).

The attached report uses the data as of December 2024. 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 9.8% of total assets, 8.03% of loans, 6.34% of debt securities and 29.31% of derivatives. The market share in percentage of assets declined slightly from the level of 10.2% with data as of December 2023, driven by a lower market share for loans

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

² <https://www.eba.europa.eu/publications-and-media/press-releases/eu-subsidiaries-third-country-players-account-10-total-eu-assets-their-presence-more-significant>

³ [Request for submitting indicators on the interconnectedness of the EU financial sector with global markets for the next three years \(2025-2027\)](#)

and derivatives. By country, the market share increased for subsidiaries controlled by entities domiciled in the United States, United Kingdom, Japan and Switzerland. The assets of subsidiaries of third country banking groups are mainly in the form of loans and derivatives. These asset classes represent 69% of the total assets as of December 2024.

By counterparty, exposures towards credit institutions and other financial corporations accounted for 66% of banking assets reported by subsidiaries of third country banking groups as of December 2024.

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 45% in non-EU countries). These assets located outside the home country are mostly towards credit institutions and other financial corporations. These counterparties represent 71% of the assets located outside the home country.

In relation to the total EU banking sector P&L items, the market share on income items is 5.63% of interest income, 9.90% of fee and commission income and 11.89% of other operating income. By counterparty, the interest income is coming mainly from credit institutions and other financial corporations (57% of third country subsidiaries' total interest income).

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 (55.37%), fiduciary transactions (40.16%) and custody assets (21.86%).

Yours sincerely,

José Manuel Campa

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