

STRUCTURAL CHANGES OF THE BANKING SECTOR IN THE EUROPEAN UNION IN THE YEARS 2004–2019

Summary

The global financial crisis has had a significant impact on the European banking sector. This paper aims to determine the main structural effects of the financial turmoil, related to quantitative, but also qualitative aspects of the banking activity. The results, based on time series analysis and comparative studies, suggest that banking sector in the European Union has lost its importance defined by means of quantitative measures, such as size or cross-border activity. However, the improvement of the soundness of the EU banks, measured by means of the capital ratios or non-performing loans ratios, can be observed. On this basis, the positive, but only qualitative consequences of the financial crisis should be underlined. Therefore, stakeholders (including regulators, supervisors, and the public) should be more focused on the development rather its growth in the process of assessment of the banking sectors.

Keywords: banking sector, structure, concentration, efficiency.

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Research article.