



***“Negative interest rates and asset purchases: the balance between intended and unintended consequences”***

**Rolf Strauch**

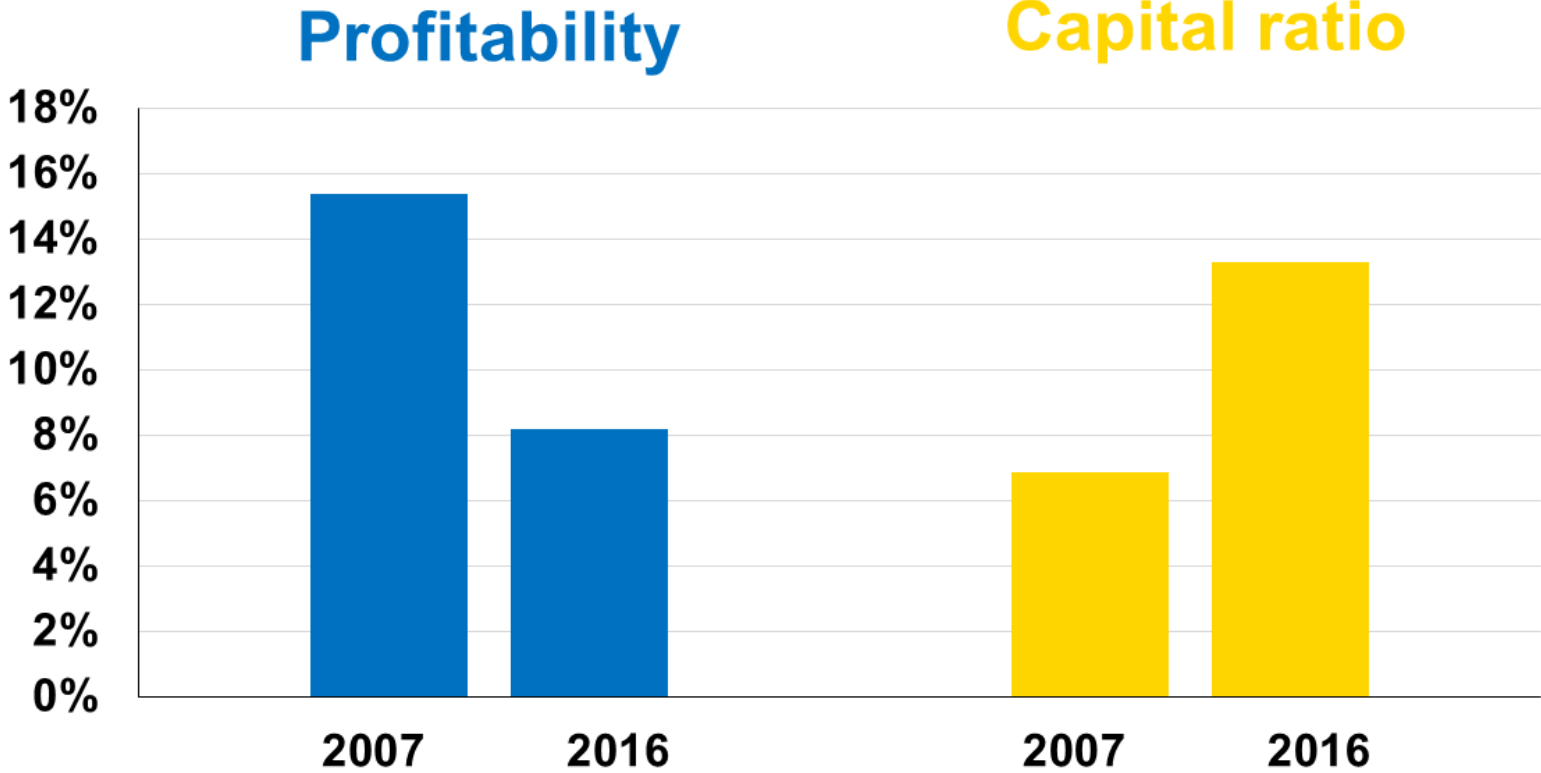
**Member of Management Board, ESM**

*Harness Investment Forum  
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European Stability Mechanism



# Euro area banks - safer, but less profitable

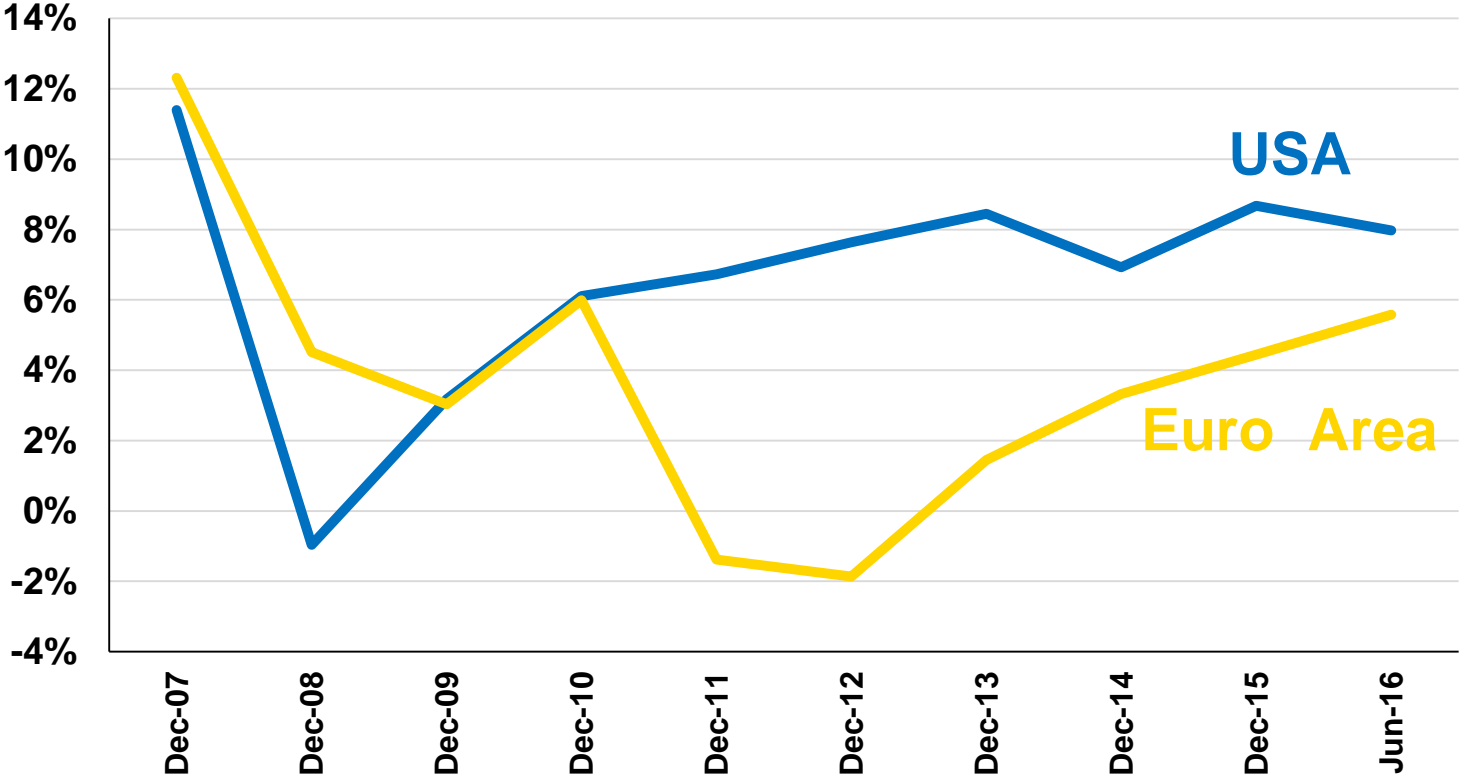


Source: SNL Financial, Bankscope, ESM calculations

Note: Data represent operating profits/equity and Common Equity Tier 1 ratios in 2007Q4 and 2016Q2 respectively

# European banks are catching up with the US

## Profitability in the Euro Area and the USA



Source: Standard and Poor's (SNL Financial), banks' annual reports, ESM calculations  
Note: Return on Equity (RoE)

# Further information

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