

CHART OF THE WEEK

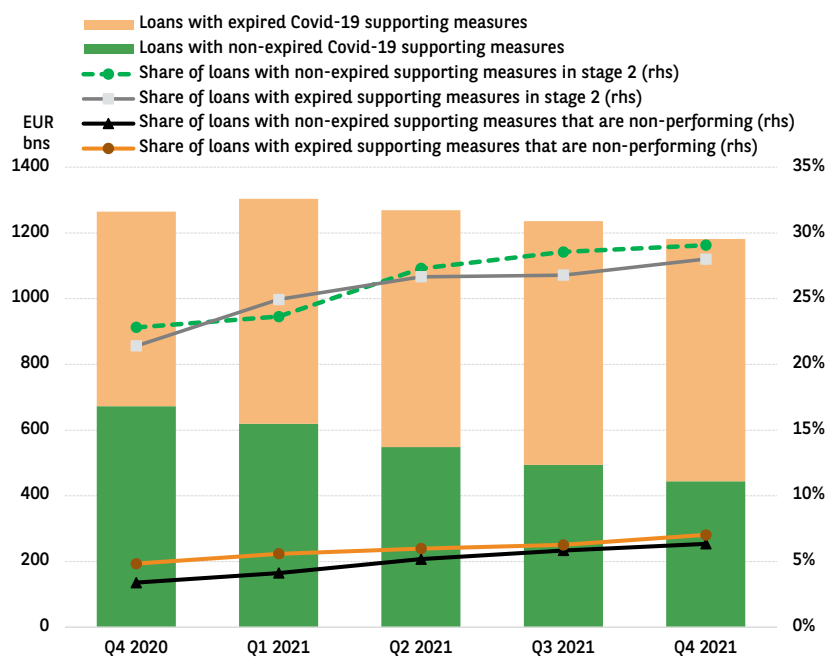


20 April 2022

EUROZONE: THE LIFTING OF MORATORIA HAS NOT SIGNIFICANTLY AFFECTED THE QUALITY OF BANK LOAN BOOKS

Thomas Humblot

No significant deterioration of loan books despite the lifting of moratoria in the eurozone



Source: ECB, BNP Paribas

The outstanding amounts of loans and advances that are still subject to banking support measures, introduced in response to the Covid-19 pandemic¹, continues to decrease in the eurozone. It was EUR444 billion in the fourth quarter of 2021, or 3.1% of total loans, from EUR494 billion, 3.5% of the total, in the third quarter of 2021. This decrease related nearly exclusively to loans subject to moratoria compliant with the European Banking Authority guidelines², for which preferential prudential treatment came to an end on 31 December 2021. The outstanding amounts of loans subject to public guarantee schemes and loans subject to forbearance measures almost stabilised in the fourth quarter of 2021, at EUR438 billion.

The gradual lifting of moratoria has not, so far, resulted in any significant deterioration of the quality of loan books. The proportion of loans whose quality has deteriorated is very similar for those still subject to a moratorium and those which no longer benefit from such coverage.

¹ Moratoria compliant with European Banking Authority guidelines, forbearance measures introduced in response to the Covid-19 pandemic and loans subject to public guarantee schemes
² EBA, 2020, *Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis*, 2 April 2020

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