

# Bridging the Gap

to meet Europe's growing investment needs



## Press release

**Under embargo until June 9, 2026, 17:00 CET**

The **European Banking Federation**, with its members and a number of participating banks, has commissioned **Oliver Wyman** with a new, independent, fact-based study on the competitiveness of European banks. The report was published on June 9th and a first copy was presented in Brussels on that day to the hon. **Enrico Letta** in the presence of high-level institutional stakeholders, banking representatives and media relations.

These are the report's key insights:

- The debate on European competitiveness has entered a decisive phase. **Europe's additional annual investment needs now stand at approximately €1.4 trillion** – significantly above the €800 billion estimated in the 2024 Draghi report.
- The challenge is not only the scale of the financing required. Much of Europe's future investment demand is concentrated in long-duration, capital-intensive, and higher-risk assets. Europe's future prosperity therefore depends not only on **how much** capital it can mobilise, but on **whether capital can be mobilised across the full risk and maturity spectrum**.
- **Europe's financing continuum is not yet capable of meeting these needs.** Banks are increasingly constrained, while alternative financing channels remain underdeveloped and fragmented relative to other major economies. Banks remain central to bridge the gap, but successive layers of regulation, increasing supervisory burden and persistent market fragmentation have reduced their capacity and incentives to support the investments critical to Europe's growth.
- Banks have optimized within these constraints and are now profitable, but they have shifted towards less capital-intensive lending activities..
- **If regulation and supervision are the medicine to safeguard the health of the European financial system, determining and adjusting the right dosage is key** to allow European banks to significantly increase their contribution and support a fully functioning financing continuum.
- Europe must enable banks to play a greater role in financing Europe's growth: **Enable greater financing capacity and durable growth; Unlock a savings and investment financing continuum; and foster scale and innovation.**

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The topic of the competitiveness of European banks is discussed in many ways and places at this moment. The fundamental issue connected to this topic is **how Europe will finance its future - and how, together, we can bridge the gap of Europe's increasing investment needs.**

With this core issue as the starting point - and the final objective - the **European Banking Federation**, with its members and a number of participating banks, has commissioned **Oliver Wyman** with a new, independent fact-based study. This study uses fact-based analysis to build a case for change and enhance the dialogue on the role banks could play to finance Europe's future.

On June 9, the official publication date of the report, Oliver Wyman presented their analysis to an audience of institutional stakeholders, bank representatives and media relations. At this occasion, the European Banking Federation has presented a first copy of this report to the hon. **Enrico Letta**, who is, of course, author of the authoritative 2024 report 'Much more than a Market' and explored his first reactions and observations. This presentation was followed by a round-table discussion.

## Background information on the study

Europe's additional annual investment needs are currently estimated at **EUR 1.4 trillion** – a significant increase on the EUR 0.8 trillion estimate in 2024 that was part of the Draghi report. In this context, the competitiveness of European banks has become an even more important topic than it was before. The ensuing dialogue should focus on finding new ways to fill the gap together: to make sure that European families and businesses continue to have access to the funding they need to safeguard prosperity, security, sustainability and innovation.

This dialogue and the solutions that are explored and developed can only be successful if they are based on a complete, up-to-date and robust data. To this end, the European Banking Federation, its member organisations and a number of supporting banks have commissioned Oliver Wyman to produce analysis that creates a sound factual basis for a solution-oriented dialogue. This report provides:

- An updated assessment and further breakdown of Europe's additional annual investment needs;
- The extent to which the current European financial system is capable of catering to those needs, identifying strengths and areas of improvement;
- An analysis of the ability of European banks to finance Europe's investment needs under current constraints and the levers that could enable them to play a greater role in financing European growth;
- 7 recommendations to enable banks to deepen and expand their role at the centre of a fully functioning financing continuum – connecting savings to productive investments.

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One of the key conclusions of the report is that the road forward requires a **better balance between capital, resilience and growth**, and a shift away from excessive risk aversion towards a more appropriate level of risk appetite. The report also **addresses common misconceptions** around the current and future state of European banks. Separating facts from stories will help to accelerate the process of aligned action.

With the purpose of, together,  
**bridging the gap of Europe's increasing investment needs.**

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