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Banking Trend Radar Webcast

Episode XXI: Why Draghi's vision of European competitiveness has a funding gap — and what needs to be done about it.

10 September 2026

Here with you today

We are looking forward to the Webcast & discussion!

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Our topics for today

1. What is the funding gap of the Draghi Vision of rebuilding European competitiveness?

2. What are the challenges for the banking sector to close the gap?

3. How can Private Capital become a key part of the solution?

1

It Is Not Enough: Funding Gap of about b€ 400 – 500 p.a.

PRELIMINARY ESTIMATES

Investment need: b€ 750–800 p.a.

Draghi's additional EU investment need, 2025–2030

Share covered by EU/Public Funds ~15%

Share of that need covered by EU + national public funds combined

Contribution of bank lending: b€ ~35

Basel IV leaves banks capacity to sustain lending — not scale it up

Funding Gap: €400–500bn

Private capital the EU's own Savings & Investments Union agenda says is needed

The bottleneck is not policy ambition — it's financing architecture.
Public funds and bank balance sheets alone cannot close a €650bn+/year gap.

1

COVID was a setback – So Draghi's investment is the lower end!

EU business investment rate, share of GDP

Q4 2019 (pre-COVID peak)

26.8%

of EU GDP

Q4 2025 (11-year low)

21.8%

of EU GDP

- Real investment volume in 2024 was still similar to 2019 levels (abs.) — five years of stagnation, not growth.
- Gross fixed capital formation (GFCF) fell 1.9% in 2024 vs. 2023, extending the slowdown into a second year.

Source: Euronews / Eurostat · CaixaBank Research · Eurostat

1

Draghi's Investment Case, by Industry: Energy dominant, Defence (at the point of estimation underrated)

Additional EU investment needed per year, 2025–2030 (€b)

TOTAL NEED

€775bn

per year (midpoint of €750–800bn range)

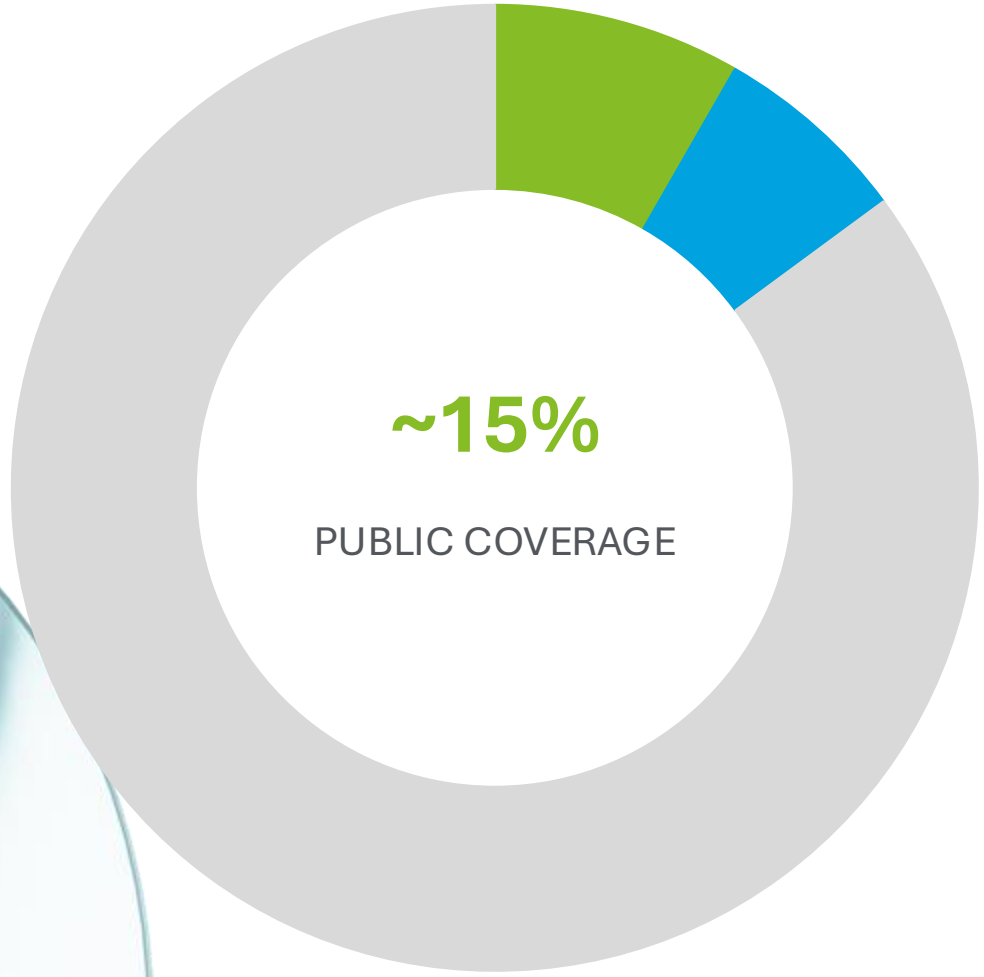
Energy transition and grid buildout is the single largest line item — nearly 40% of the total case.

Source: EPRS BUDG_STU(2026)785765

1

EU and National Funds Cover a Fraction of the Request

Public financing against Draghi's €775bn/year need (ESTIMATE)



European Competitiveness Funds	**€ 64.3 bn/yr**
National funds (DE, FR, IT, ES, PL)	**€ 51.2 bn/yr**
Remaining, unfunded gap	**€ 659.5 bn/yr**

Draghi and the European Parliament frame the historic split as roughly one-fifth public, four-fifths private financing. Combined EU + national fund supply lands close to that public share — leaving private capital as the only lever big enough to close the rest.

Source: EPRS BUDG_BRI(2026)783090 · EC — European Competitiveness Fund

1

Germany: Same Gap, National Scale

Germany, same issues even on national level

€30bn

PUBLIC ENVELOPE

Deutschlandfonds public resources — guarantees, loans & equity via KfW, launched 18 Dec 2025

~€130bn

PRIVATE TARGET, ~4x

Private investment the fund aims to crowd in — the same leverage bet the EU is making at SIU level

~€6bn/yr

ANNUALIZED, ESTIMATE

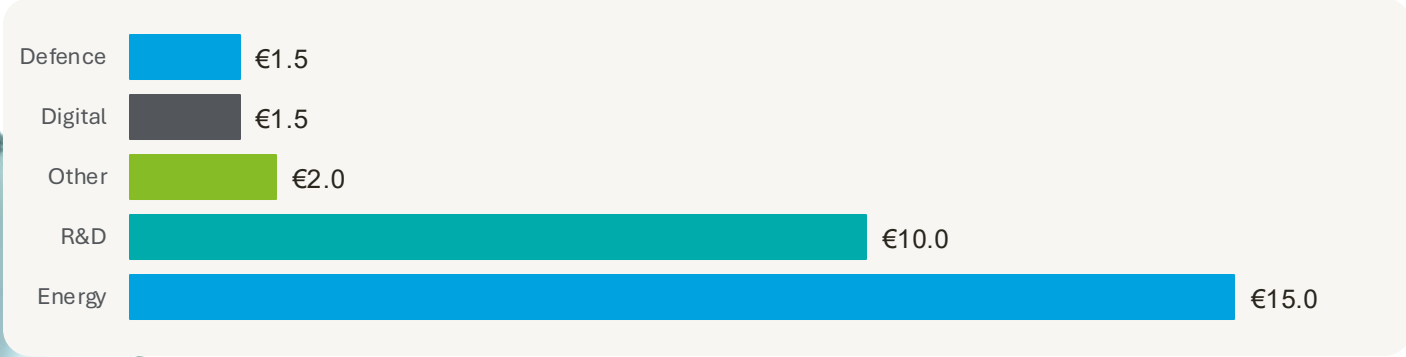
Public supply once spread over the fund's assumed 5-year rollout, 2026–2030

DRAGHI-LOGIC NEED FOR GERMANY, ESTIMATE

~€184bn/yr

23.8% GDP-share of the EU's €750–800bn/yr Draghi gap — vs. ~€32bn/yr the fund aims to mobilize

Deutschlandfonds — Estimated Allocation by Sector (€bn, 2026–2030)



Same Structure as the EU-Level ECF

- Not one fund — guarantees, loans & equity, phased through 2030
- KfW–Bpifrance €400m VC memorandum, signed June 2026
- Coordination runs alongside, not inside, the EU's single rulebook

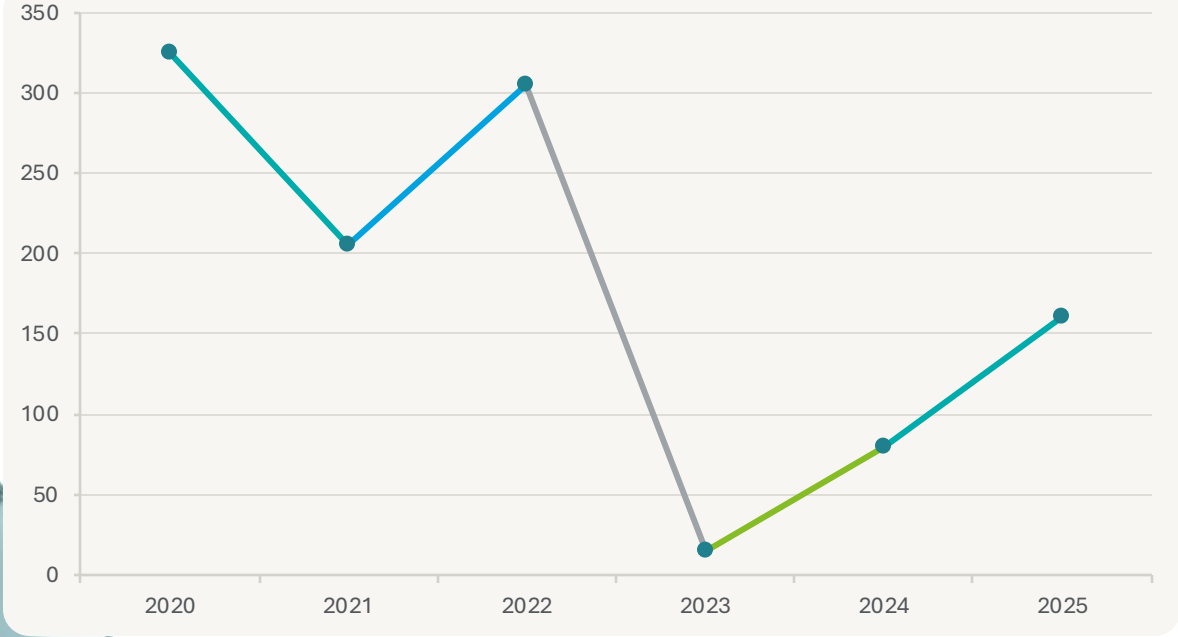
Same diagnosis, national execution: a fund an order of magnitude too small for its own ambition, betting on the same private-leverage multiple the EU is betting on.

Source: KfW — Germany Fund fact sheet · Reuters · Defence Finance Monitor · Destatis · EPRS

2

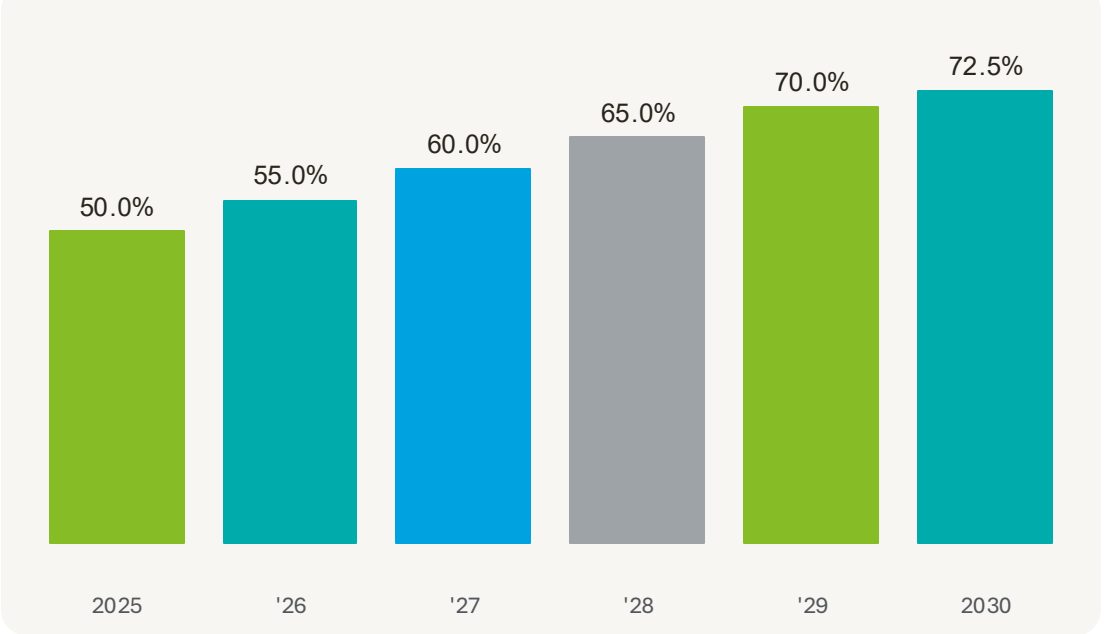
Bank Lending Under Basel IV: Sustain current funding – at best

Euro-area corporate lending, BSI net transactions (€b, indic.)



Indicative midpoint estimates — net credit creation is volatile and far below gross new business

CRR3 output floor phase-in (%)



2026 (current): 55% — steady state 72.5% from 2030

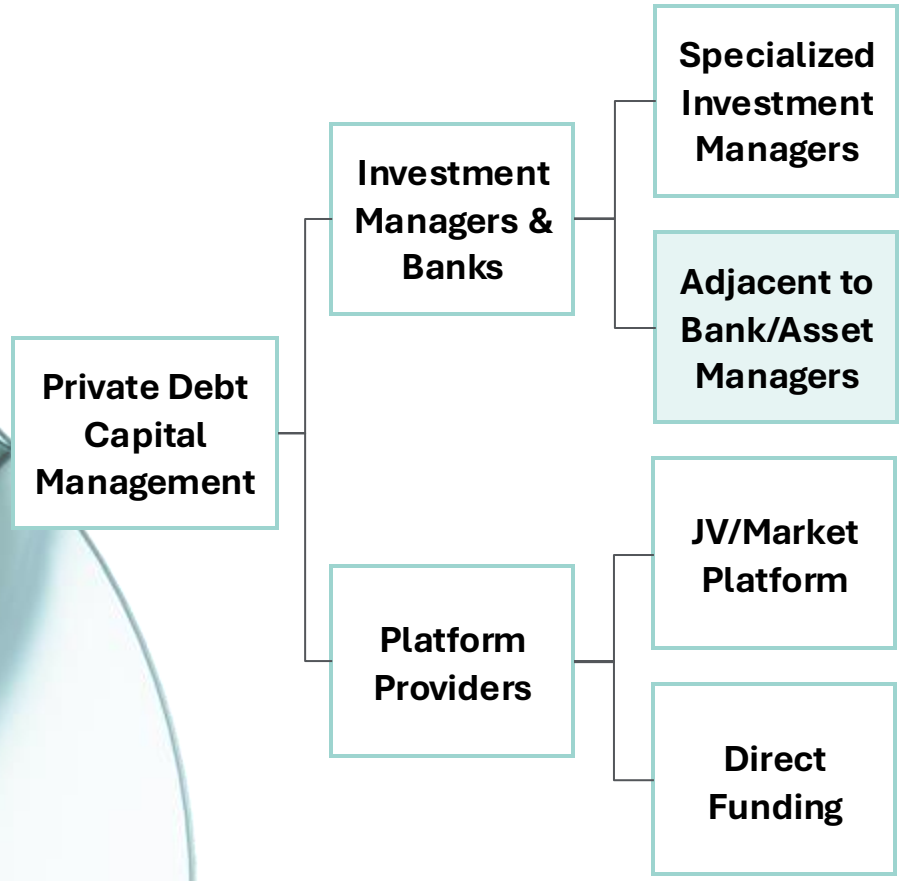
~80% of EU banks projected to be output-floor- or leverage-ratio-bound by 2030

Source: ECB Data Portal (BSI; indicative) · Reg. (EU) 2024/1623, Art. 465 · EC SWD(2026)615

3

Four distinct business models can be observed in the market

PRIVATE CAPITAL BUSINESS MODEL ARCHETYPES

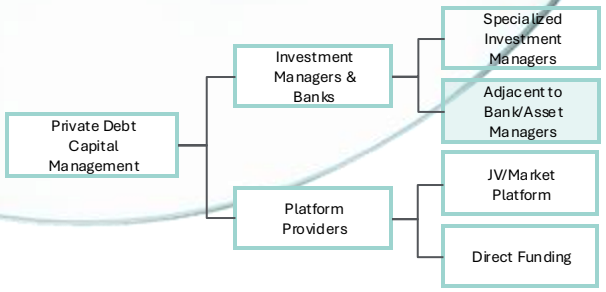


Description	Active Players
Investment Firm that has specialized in Private Debt Investments	Blackstone Credit, BARINGS, PEMBERTON, Park Square, ARES, KKR, Arcmont, HAYFIN, EURAZEO, PARTNERS GROUP, TIKEHAU CAPITAL
Banks with relationships to supply / demand for Private Debt Investments	DWS, ING, KBC, SOCIETE GENERALE, Deutsche Bank, BNP PARIBAS, HSBC, Belfius, Allianz Global Investors, Federated Hermes, Santander, UBS
Platforms for Distribution of Private Debt Investment Structures	iCapital, CAIS, ADDX, DEUTSCHE BÖRSE GROUP, Moonfare, Adams Street, CAPZA, Credijusto, allfunds, Sienna, BSDEX, TRADE REPUBLIC, tdx
Platforms where Investors can place capital directly with projects/ companies	mintos, crowdcube, CRIPTOLIN, october, raizers THE INVESTMENT CIRCLE

3

The existing customer relationships are a key leverage point

Zoom-in: Adjacent to Banks/ Asset Managers



EXAMPLES

Federated Hermes
Allianz Global Investors
DWS
Deutsche Bank
ING
BNP PARIBAS
Santander
KBC
SOCIETE GENERALE
HSBC
UBS

BUSINESS MODEL CANVAS

Customer Segments	Customer Relationships	Value Proposition	Key Activities	Key Partners
Bank clients, SMEs	Bank-integrated	Bank trust, all-in-one	Risk/ Compliance	Bank/FinTech, Advisors
	Channels: Bank RMs, Platforms		**Key Resources**	

Supply Chain Mgmt

Own private Credit fund

Revenue Streams	Cost Structure
Interest, Referral	Infrastructure, Regulatory

CLIENT QUESTIONS

- How to leverage their **existing client relationships** for deal origination
- **How to qualify & incentivise existing distribution network** for placing investments effectively
- **Supply Chain Mgmt to PC Investors & Partners**, how to organize in a scalable way
- …

Legend: Key Competence

3

What has to happen: Three Moves

Closing the private capital gap requires structural change, not just bigger targets

01

Mobilize Private Capital

- Establish & scale dedicated investment funds
- Leverage bank balance-sheet capacity for coverage
- Establish a light-touch secondary market by 2028
- Increase direct lending capacity

02

Complete the Savings & Investments Union

- Unlock the €470bn/yr from the EU's ~€10 trillion household savings pool
- roughly 70% of which currently sits in low-yield bank deposits rather than productive investment.

03

Calibrate Basel IV — don't just relax it

- The Commission and ECB disagree on whether capital rules actually constrain credit supply
- Use the SME and infrastructure supporting factors already built into the framework before reopening the rules themselves.

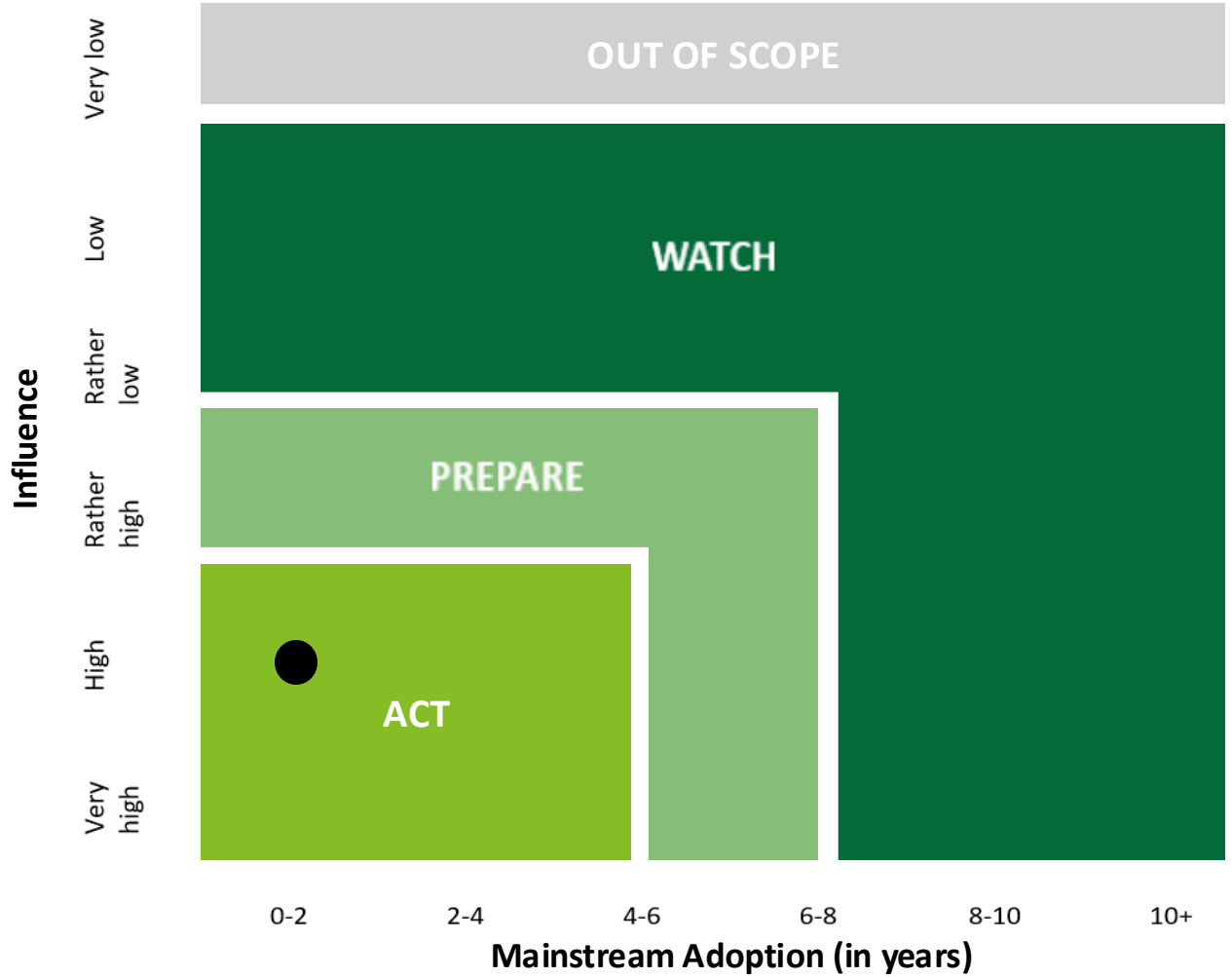
Trend Assessment

European Competitiveness and Mobilization of Private Capital

ACT

Influence

Time of Mainstream Adoption



Let's talk! If you have any questions or would like to discuss this further, we'd be delighted to hear from you.

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3 perspectives deepen the discussion on European competitiveness and private capital

STUDY 01

Scan to access the study

The Antwerp Declaration for a European Industrial Deal Monitoring Report

The report provides a data-driven, evidence-based assessment of the EU's progress in implementing the 10 key pillars outlined in the Antwerp Declaration.

Deloitte & Cefic | February 2026

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STUDY 02

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Closing the European Competitiveness Gap

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Deloitte | September 2025

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STUDY 03

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Direct Exchange With Distinctive Voices

Jean Asselborn
Former Minister of Foreign Affairs, Luxembourg
Luis de Guindos
Former Vice President, European Central Bank
Google Cloud Leaders

Upcoming Webcast

Episode XXII: Banking Horizon 2030 – Einblick in die Bank von morgen

Datum: 24. September 2026 | 14:00 Uhr

Wie sieht eine Bank 2030 konkret aus – und was bedeutet das heute für Strategie, Organisation und Technologie?

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