

# Special feature on Banking

**1994-1999 Data**



EUROPEAN  
COMMISSION



THEME 4  
Industry, trade  
and services

4

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#### **National Central Banks/Financial Supervisory Authorities:**

<b>B</b>	Banque Nationale de Belgique
<b>DK</b>	Finanstilsynet
<b>D</b>	Deutsche Bundesbank
<b>EL</b>	Bank of Greece
<b>E</b>	Banco de España
<b>F</b>	Banque de France
<b>IRL</b>	Central Bank of Ireland
<b>I</b>	Banca d'Italia
<b>L</b>	Banque Centrale du Luxembourg
<b>NL</b>	De Nederlandsche Bank
<b>A</b>	Österreichische Nationalbank
<b>P</b>	Banco de Portugal
<b>FIN</b>	Bank of Finland
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## FOREWORD

Developments in Community monetary and economic integration require statistics on the structure, activity, competitiveness and performance of credit institutions. Eurostat started to collect basic structural statistics on credit institutions from the reference year 1994 onwards. These basic variables were supplemented with an extensive list of structural business statistics on credit institutions starting from the reference year 1997. Eurostat collects the data from national central banks, financial supervisory authorities and national statistical offices, which compile national results.

Eurostat has now collected structural business statistics on credit institutions for the third consecutive year (reference year 1999). Up till now the Member States have participated in this data collection on a voluntary basis. In order to ensure a continuing availability of high quality data on credit institutions, Eurostat drafted a European Parliament and Council Regulation to amend Council Regulation No. 58/97 concerning structural business statistics. This Regulation will add a sector specific annex containing the extensive list of characteristics on credit institutions to Council Regulation No 58/97. It is likely to be adopted by the European Parliament and the Council by the end of 2001 or the beginning of 2002.

The present publication is the third comprehensive publication on credit institutions in the European Economic Area and Switzerland. It focuses mainly on the period 1997-1999, and, for some characteristics, longer time series are included. In the first chapter, the European credit institutions are set in the international context by comparing them with the US and Japan banking industry. This chapter also reports briefly on the credit institutions in the Czech Republic, Hungary and Poland. Chapter 2 presents the evolution over the 1994-1999 period of the EU-15 banking sector using a number of key figures. Chapter 3 elaborates further on the structure of the European banking sector, whereas the fourth chapter concentrates on the performance and the competitiveness of the European credit institutions and the fifth on the employment in these institutions. Chapter 6 contains a contribution on the structure of European households' savings from L'Observatoire de l'Épargne Européenne.

The time series presented in this publication reveal certain trends in the European banking industry. From the figures it is clear that the concentration and consolidation trend has continued in the late nineties. Employment figures show that the number of persons employed in credit institutions remains stable over the period 1994-1999, whereas personnel costs have risen. The figures presented in the publication also give evidence for the growing disintermediation in the banking sector. They clearly indicate that the relative importance of the net interest income compared to the other sources of income is decreasing. Other sources of income that have become increasingly important are the net commission income and income from securities.

**Yves Franchet**  
**Director General**  
**Eurostat**

## INTRODUCTION

'Special Feature on Banking', Edition 2001 – 1994-1999 data is the third comprehensive publication on European credit institutions edited by Eurostat. This 'Detailed Tables' report provides statistics on the banking sector in the EU, in three EFTA countries (Norway, Iceland and Switzerland) as well as in the USA, Japan and in three candidate countries to the European Union: the Czech Republic, Hungary and Poland.

The statistical tables presented in the publication include statistics covering the period 1994-1999 and coming from the annual Eurostat data collection on credit institutions for the EU and EFTA countries and from the OECD for the USA, Japan, the Czech Republic, Hungary and Poland.

### *Data sources*

⇒ Eurostat annually collects on a voluntary basis statistical information on credit institutions in the EU and in Norway, Iceland and Switzerland. Statistics provided by Central Banks, Financial Supervisory Authorities and National Statistical Institutes cover about 50 variables on demography (structure), profit and loss account, balance sheet, internationalisation and employment in European credit institutions. Eurostat has drafted a European Parliament and Council Regulation amending Council Regulation No 58/97 concerning structural business statistics that will add a sector specific annex on credit institutions to this Regulation, so that harmonised statistics on credit institutions can be collected on a mandatory basis in the Member States. This annex to the common SBS framework is in the process of being adopted.

The coverage of enterprises included in the statistics on credit institutions is limited to 'undertakings whose business is to receive deposits or other repayable funds from the public and to grant credit for its own account' according to the definition of credit institutions given in Directive 77/780/EEC. It mainly concerns enterprises classified within NACE Rev. 1 class 65.12 'Other monetary intermediation', i.e. services provided by credit granting and deposit taking institutions other than central banks. In some Member States credit institutions also cover a number of enterprises whose main activity is classified under NACE Rev.1 class 65.22 'Other credit granting', i.e. all kinds of credit granting services provided by financial intermediaries other than those offered by credit granting and deposit taking institutions.

⇒ The publication also presents data on commercial banks in the USA, Japan, Hungary and Poland and on all the banks in the Czech Republic. These complementary data are based on the OECD statistics on bank profitability (provisional 1999 data for the USA). Due to different definitions, the international comparisons provided by the complementary data are for information only.

### *Detailed contents of the report*

The first part of the six chapters presented is made of a statistical and descriptive analysis combined with graphs. The second part of each chapter provides a set of detailed tables of statistics for the countries covered including 3 aggregates (EU-15, EUR-11, EEA). 1998 and 1999 data for Ireland, 1999 data for Finland and 1996-1999 data for Iceland are not available. Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the changes (%) that may be calculated using data for EU-15 aggregate included in the table.

**Chapter 1** sets the European credit institutions in a world context by comparing the European banking sector with that of the USA and Japan. In addition, it provides an overview of the banking industry in three candidate countries: the Czech Republic, Hungary and Poland. **Chapter 2** presents data for key indicators to picture the evolution of the EU-15 banking sector over the period 1994-1999. **Chapter 3** is a comprehensive presentation of the structure of the European banking sector, whereas **Chapter 4** focuses on its performance and competitiveness by exploiting data on the profit and loss account and balance sheet. Employment structure and productivity are treated in **Chapter 5**.

Finally **Chapter 6** is a contribution from L'Observatoire de l'Épargne Européenne (OEE - European Savings Institute) which reviews the structure of the savings of the European households. The OEE, which was created in September 1999, aims at regrouping major European financial players (institutions, professional associations) in order to finance research projects on European savings, to provide a forum and a discussion platform, and to inform the press and general public on savings-related questions. The OEE is also developing a statistical and regulatory database covering the behaviour pattern of the various agents: households and businesses, banks, insurance companies, fund managers and other financial intermediaries.

## GENERAL REMARKS

### ECU/euro exchange rates

In the publication, financial data are expressed in European Currency Units (ECU) up to the reference year 1998, and in euro from 1999 onwards. The change in the monetary reference has no impact on the consistency of the time series. ECU/euro exchange rates in annual average as well as country and currency codes are given for information in the table below:

#### ECU / Euro exchange rates, annual average (1992-1999):

Country	Currency code	ECU					euro
		1994	1995	1996	1997	1998	1999
B	BEF	39.6565	38.5519	39.2986	40.5332	40.6207	40.3399
DK	DKK	7.54328	7.32804	7.35934	7.48361	7.49930	7.43556
D	DEM	1.92453	1.87375	1.90954	1.96438	1.96913	1.95583
EL	GRD	288.026	302.989	305.546	309.355	330.731	325.763
E	ESP	158.918	163.000	160.748	165.887	167.184	166.386
F	FRF	6.58262	6.52506	6.49300	6.61260	6.60141	6.55957
IRL	IEP	0.79362	0.81553	0.79345	0.74752	0.78625	0.787564
I	ITL	1 915.06	2 130.14	1 958.96	1 929.30	1 943.65	1936.27
L	LUF	39.6565	38.5519	39.2986	40.5332	40.6207	40.3399
NL	NLG	2.15827	2.09891	2.13973	2.21081	2.21967	2.20371
A	ATS	13.5396	13.1824	13.4345	13.8240	13.8545	13.7603
P	PTE	196.896	196.105	195.761	198.589	201.695	200.482
FIN	FIM	6.19077	5.70855	5.82817	5.88064	5.98251	5.94573
S	SEK	9.16308	9.33192	8.51472	8.65117	8.91593	8.80752
UK	GBP	0.77590	0.82879	0.81380	0.69230	0.67643	0.658735
IS	ISK	83.1063	84.6853	80.4391	84.6558	79.6976	77.1824
N	NOK	8.37420	8.28575	8.01861	8.19659	8.46587	8.31041
CH	CHF	1.62128	1.54574	1.64400	1.56790	1.62203	1.60034
US	USD	1.18952	1.30801	1.26975	1.13404	1.12109	1.06578
JP	JPY	121.322	123.012	138.084	137.077	146.415	121.317
CZ	CZK	34.1509	34.6960	35.9304	34.4572	36.3196	36.8862
HU	HUF	125.030	164.545	211.654	193.741	240.573	252.767
PL	PLZ	2.70153	3.17049	3.71545	3.42232	3.91784	4.22741

Note: Figures in a blue shading are irrevocable euro exchange rates.

Source: Eurostat/Economy and Finance/Monetary and other financial statistics/ECU/euro exchange rates - Annual data.

### Break in series

⇒ The number of credit institutions having savings banks as legal status (page 44) records a break in series from 1999 onwards. Following the analysis of the statistics, it appeared that 'Savings banks' was not a legal status in a number of countries. Then, in the 1999 questionnaire the legal status 'Public-law enterprises' was introduced instead. However, during the April 2001 meeting of the Eurostat Task Force on Financial Services Statistics, some countries mentioned that the revised breakdown still caused problems. Eurostat preferred not to cause too much confusion by reverting to the first breakdown and proposed to clarify the definition of the number of credit institutions broken down by legal status by indicating that savings banks that are not public-law enterprises have to be included in 'Others'.

⇒ From the reference year 1999 onwards, the production value is calculated using Income from shares and other variable-yield securities instead of Income from securities.

### ***Signs and symbols used in the statistical tables and graphs***

The sign '-' stands for not applicable throughout the publication, whereas ':' means not available.

The sign ']' stands for a break in the series.

The abbreviation 'Mio' means million.

The abbreviation 'bn' (billion) means a thousand million.



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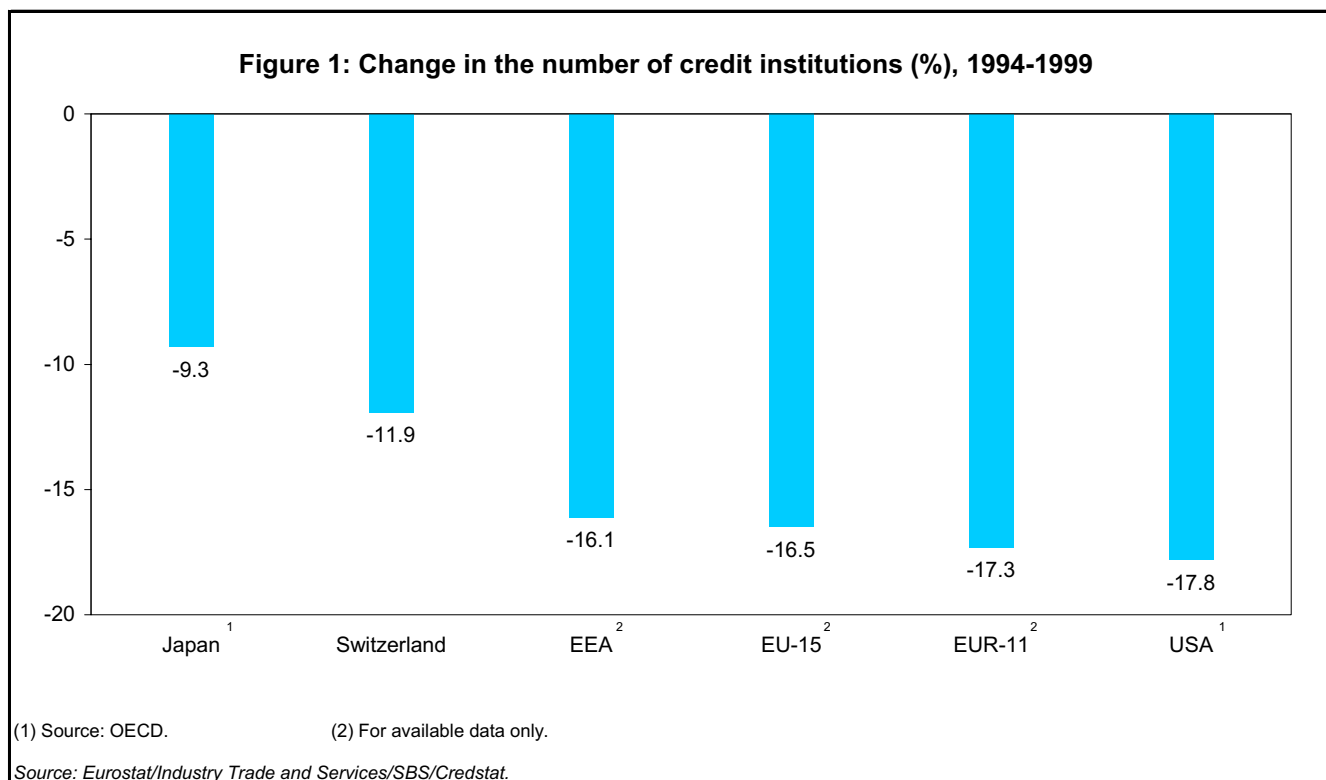
# *CHAPTER 1*

## **EUROPEAN CREDIT INSTITUTIONS WITHIN THE WORLD BANKING SECTOR**

## Demography and Performance of European credit institutions compared to their US and Japanese counterparts

### Declining number of credit institutions...

Over the past decade, the banking sector in the Triad (Western Europe, USA and Japan) experienced a process of concentration. In Europe, this was the consequence of the completion of the internal banking market as well as the privatisation of a number of public-law enterprises. Mergers and acquisitions were also the means for players to reach the critical mass in order to remain competitive on a more global market.



As a result, the number of credit institutions in the Triad registered a decline in the second half of the 1990's. Between 1994 and 1999, the number of credit institutions decreased from 9 938 to 7 969 in the EU-15 (-16.5%, excluding Ireland and Finland), from 10 489 to 8 620 in the USA (-17.8%), and from 140 to 127 in Japan (-9.3%). The banking sector in the EU-15 and in the USA is rather comparable regarding the number of enterprises and the intensity of the concentration. The Japanese banking sector is much more concentrated, since there is one credit institution for 1 000 000 inhabitants. In 1999, the EU-15, the USA and Switzerland recorded a density of 22, 32 and 53 respectively.

### ...and increasing performance and competitiveness

The concentration of the banking sector has permitted the emergence of larger players able to face the sharp world competition. Even if the banking market is strongly dependent on domestic economic activity and consumption habits, banks have developed a world strategy. Banks aim on the one hand to reach new domestic clients by proposing new products and on the other hand to enlarge their market by reaching foreign clients through the implantation of branches abroad. Moreover, new business processes have been implemented and accompanied by the computerisation of the whole value chain, which has lead to gains in productivity. These changes have had impacts on the performance and the competitiveness of the banks. Between 1997 and 1999, the profit for the financial year of credit institutions grew by 77.6% in the EU-15 and by 27.8% in the USA.

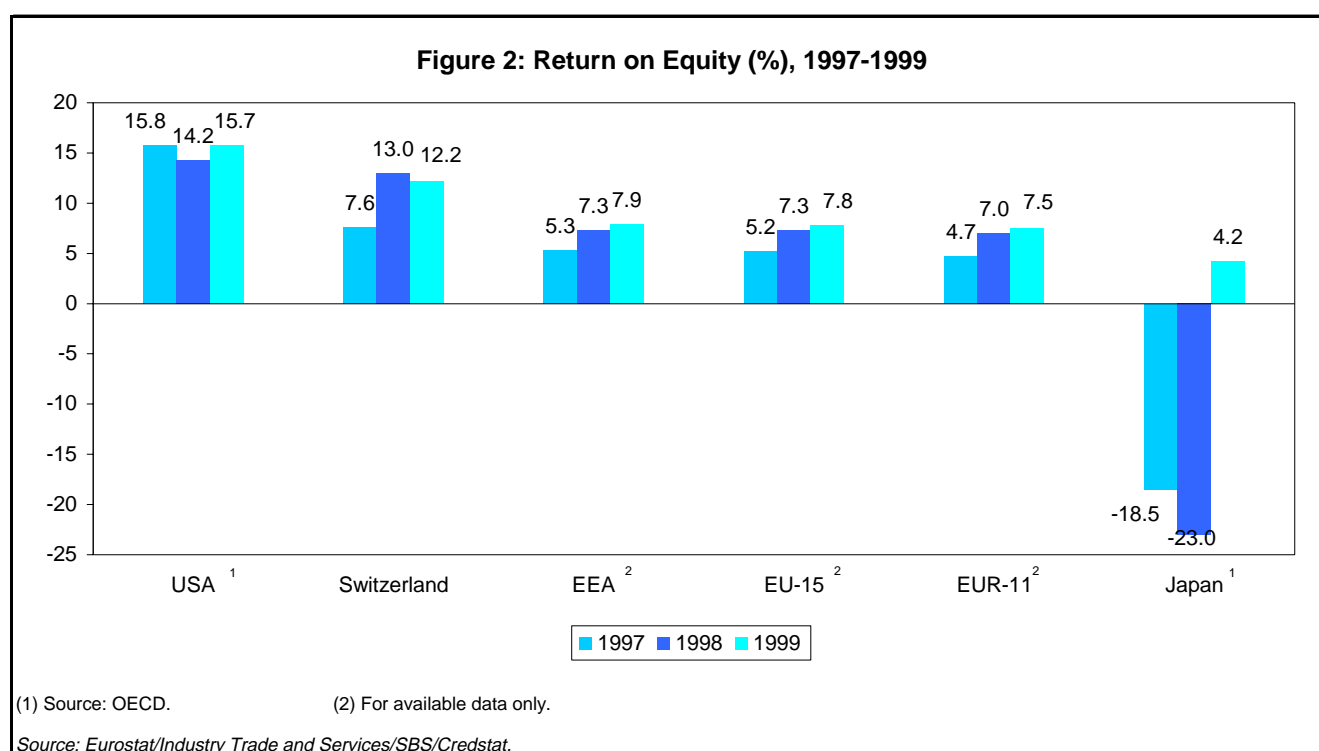
On the contrary, the recession of the domestic economy combined with the failures of major banks affected the profitability of Japanese banking sector in the 1990s. However, although losses amounted to ECU 29.3 bn in 1997 and 39 bn in 1998, the country recorded a profit after tax of euro 9.2 bn in 1999.

The ratio of the profit for the financial year on the operating income measures the profit margin. The profit realised per unit of gross operating income rose in the EU-15 during the period 1997-1999, from 11% to 16%, while it was higher but stable in the USA (21%).

The good results of the European and US banking sectors are the consequence of a continuous and strong growth of the production value over the period 1994-1999, which was of 39.1% in EU-15, 68.2% in the USA and 68.7% in Switzerland. The business of Japanese banks experienced a different evolution, since the production value registered a decline (-39%) between 1995-1998, but a recovery (67.8%) in 1999.

The measure of the share of the income reserved for covering the costs, named cost on income ratio, reveals a comparable situation in the EU-15 and in Japan (64%) in 1999. Between 1997 and 1999, this share decreased, which can be explained by both a growth of the operating income and an enhanced cost monitoring.

The Return on Equity (ROE) measures the profitability of capital invested in the activity. At EU-15 banking sector level, the return on equity reached 7.8% in 1999, while it was twice as high for the US commercial banks (15.7%) and lower in Japan (4.2%). Switzerland registered a ROE of 12.2% in 1999.



## A key trend in the banking activity: disintermediation

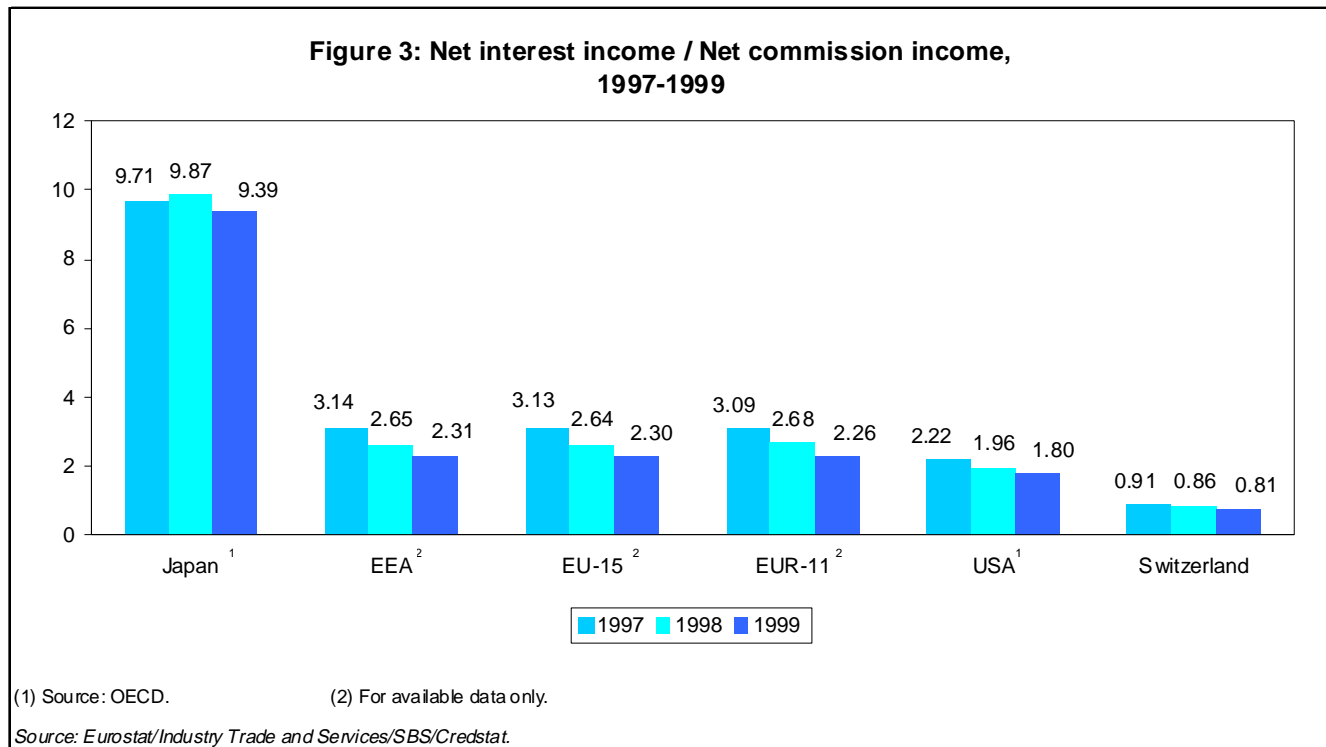
Enterprises in continental Western Europe and Japan traditionally rely on the banking sector as the main source of financing, rather than directly raise funds from capital markets like in the United Kingdom and the USA. Then, the dominant model in Europe and in Japan is that of universal banking, banks also being shareholders of the industrial businesses. However, over the past few years the European enterprises have been adopting a market-orientated model and have progressively used the capital markets to fund their activity. This transformation is named disintermediation. Several factors have permitted this evolution: the decreasing gap between the cost of banking credit and that of direct financing, the introduction of euro eliminating the risk linked to exchange rate variations, the increasing importance of institutional investors in the European economies, the performance of the stock exchanges in the period covered in this publication.

The trend towards disintermediation has an impact on the structure of the activity of banks: the decrease of net interest income coming from the transformation of deposits into credit. Therefore banks have to diversify their



activities and offer new products / services generating fees and commissions to compensate for the reduction of their balance sheet activities. The progressive decrease of the ratio net interest income on net commission income shows the development of activities that are more client-orientated, and are also called customer services. Moreover, financial services should represent a growth market for banks that can propose services to support and advise investors in their choices of funding through the capital markets.

While the ratio net interest income on net commission income was of 3.13 in EU-15 and of 2.22 in the USA in 1997, it reached 2.3 and 1.8 respectively in 1999. Japanese commercial banks lag behind in the disintermediation process, recording much higher ratios: 9.71 in 1997 and 9.39 in 1999. On the contrary, with a 1999 ratio of 0.81, Switzerland is the only country observed where net commission income is higher than net interest income.



In 1999 net interest income represented 1.18% of the balance sheet total in the EU-15, 3.37% in the USA and 1.42% in Japan, whereas net commission income on balance sheet total ratio was of 0.51%, 1.88% and 0.15% respectively.

### Increasing productivity

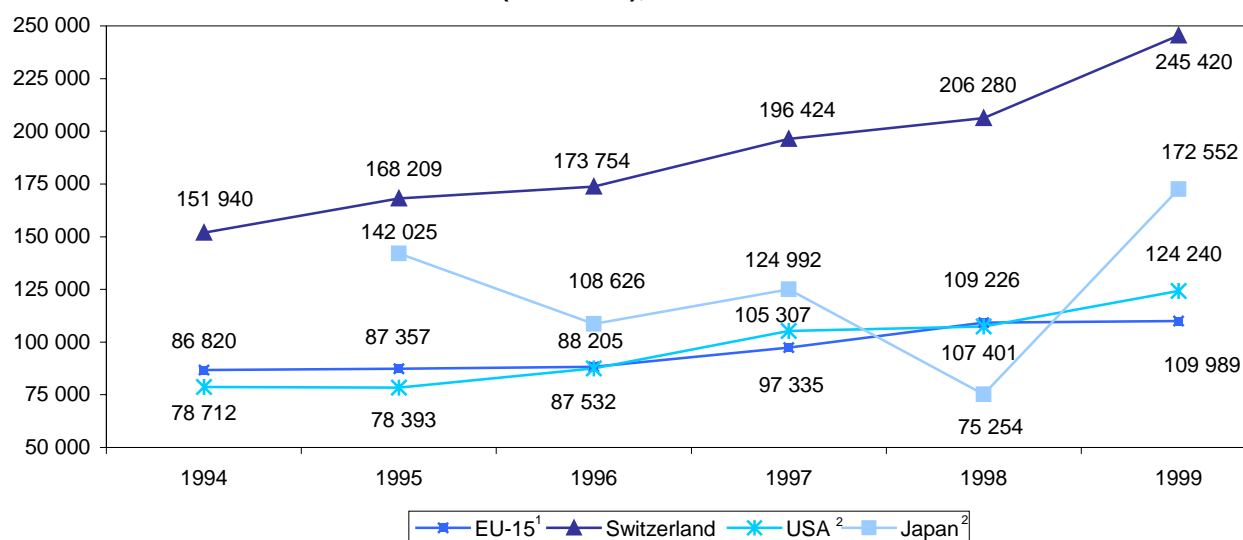
Between 1994 and 1999, the number of persons employed in the major banking sectors of the Triad experienced different evolutions. The highest growth was observed in the USA (10.9%), with an increase of the number of employees from 1.48 to 1.64 million. The growth was much lower in the EU (1.4%), while Japanese (-19.1%) and Swiss (-0.3%) banks registered a decline in their employment. Employment in banking represented 1.19% of total US employment in 1999; figures were of 1.81% in the EU, of 0.5% in Japan and of 3.25% in Switzerland.

During the same period, personnel costs per person employed increased by 17% in the European credit institutions, amounting to euro 50 395 in 1999. Average personnel costs were slightly lower in the USA, but had recorded a dramatic growth (42.4%). The highest average personnel costs were recorded by Swiss credit institutions (euro 108 662) followed by Japanese commercial banks (euro 76 900).

Whereas personnel costs represented around 40% of net interest and net commission income in 1999 in the EU and 48.8% in Switzerland, the share of the net income needed to cover personnel costs was much lower in the US (28.9%) and Japanese (31.2%) commercial banks.

The value added at factor cost per person employed measures the apparent labour productivity. The productivity of persons employed in EU-15 credit institutions has increased by 15.2% ranging from ECU 80 709 in 1994 to euro 109 989 in 1999. Switzerland recorded the strongest growth (61.5%) over the period as well as the highest labour productivity (euro 245 420 in 1999). In 1999 the productivity of employees of US commercial banks amounted to euro 124 240, revealing an important increase since 1994 (57.8%). The recession of the Japanese banking sector had a negative influence on the labour productivity during the second half of the decade, the commercial banks recording considerable losses on financial operations. Whereas in 1999 the labour productivity was of euro 172 552 - up 21.5% compared to 1995, Japanese commercial banks recorded an amount of ECU 75 254 per person employed in 1998 - down 47% compared to 1995.

**Figure 4: Evolution of value added at factor cost per person employed (ECU/euro), 1994-1999**



(1) For available data only.

(2) Source: OECD.

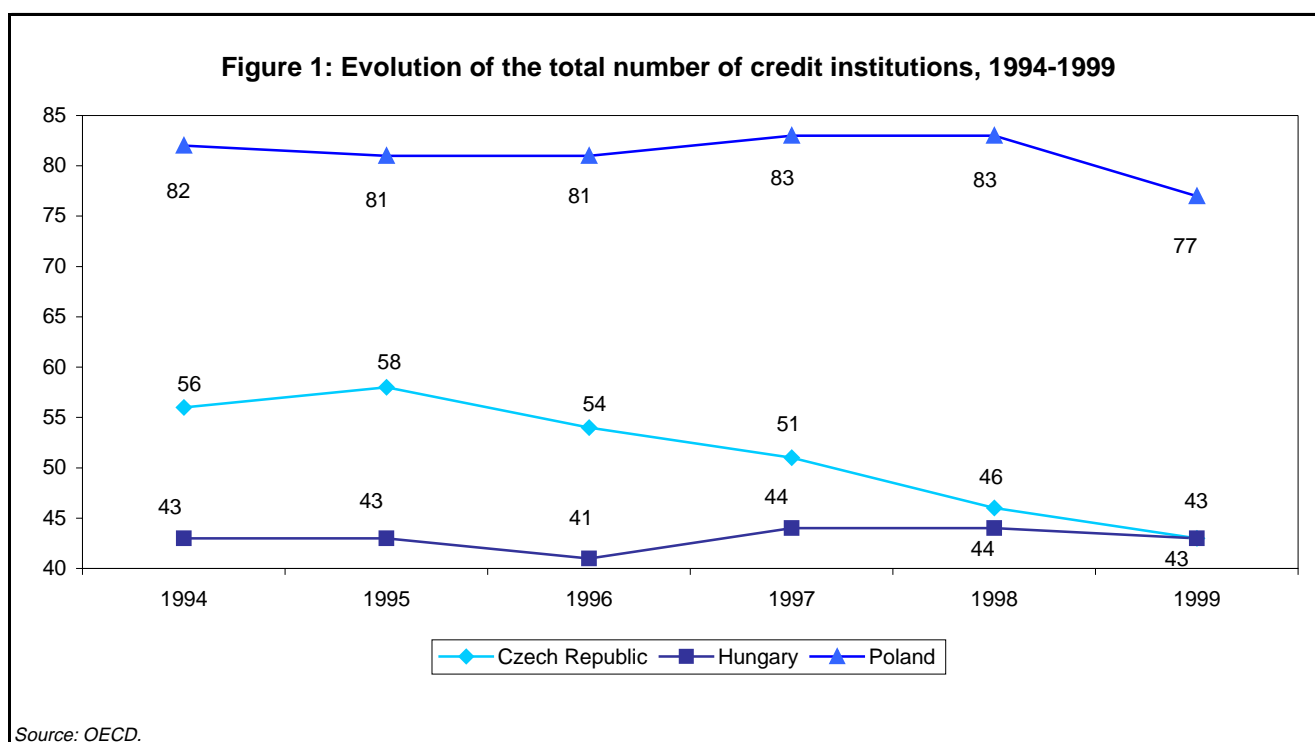
Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## Credit institutions in three applicant countries: The Czech Republic, Hungary and Poland

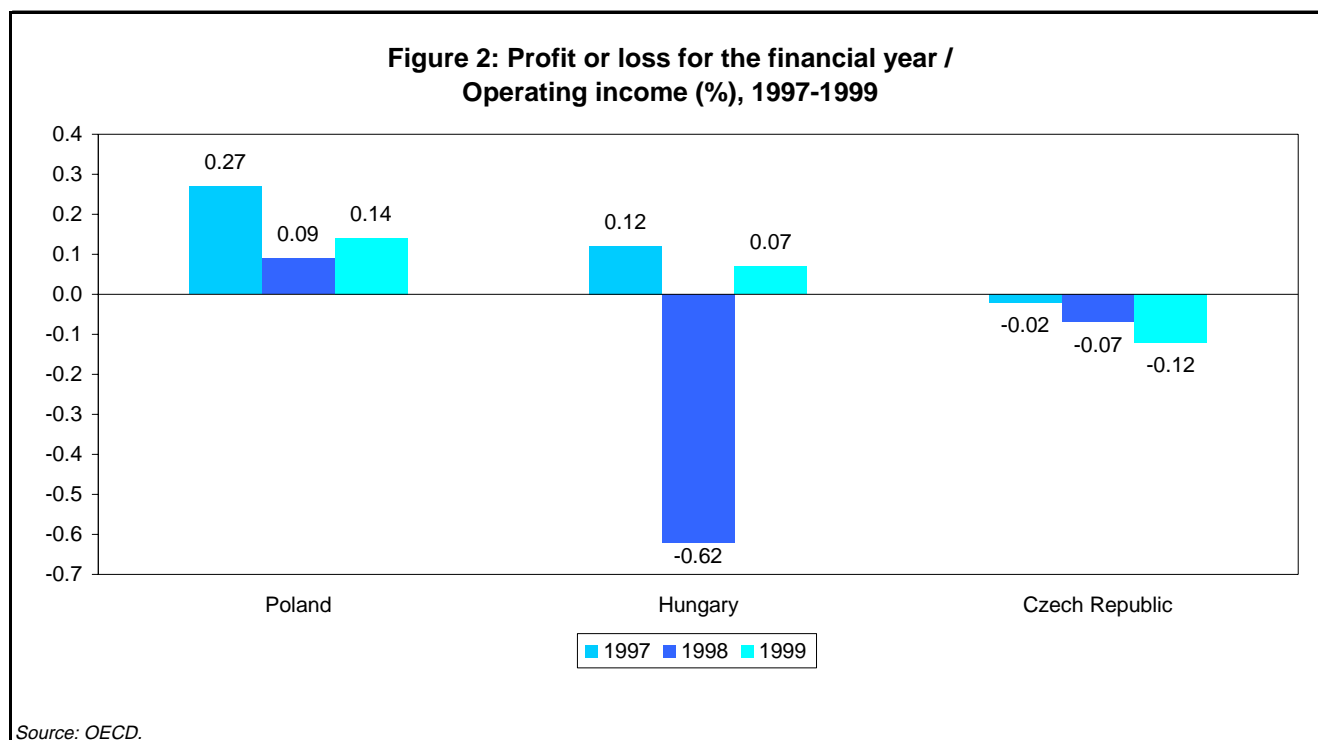
While the European Union is preparing its enlargement to the Central and Eastern Europe Countries, it is relevant to analyse the situation of the banking sector of the countries that wish to join the internal market. In particular, this section focuses on three applicant countries – already members of the Organisation for Economic Co-operation and Development (OECD): the Czech Republic, Hungary and Poland. Statistics show important discrepancies between the banking industries of these countries. The main characteristic observed over the past few years is a dramatic instability that has affected negatively the performance and the competitiveness.

### Decreasing profitability...

Whereas the number of commercial banks was stable in Hungary over the 1994-1999 period, the Czech Republic and Poland registered a decline in the number of banks, -23.2% and -6.1% respectively. In 1999, the Czech Republic and Hungary counted 4 banks for 1 000 000 inhabitants, and the Polish density was of 2.



The analysis of the profit and loss account reveals an erratic evolution of the performance of the banking sector in these countries between 1997 and 1999. The Czech banks recorded losses of more than euro 1 bn in 1999, while the profit for the financial year decreased by over 40% in Hungary and Poland. The profit margin was negative in the Czech Republic, reaching -12.3% in 1999. Whereas Hungarian and Polish banks recorded bad results in 1998, they saw a recovery in 1999 with a profitability of 7% and 14% respectively. The Czech cost on income ratio deteriorated, increasing from 92% to 104% over the period. The ratio was of 88% in Hungary and 64% in Poland in 1999. The strong growth of the production value in these countries (62% in Hungary and over 110% in the other two countries) has not permitted to compensate for an unfavourable cost structure.



Both the Return on Equity and the Return on Assets confirm the variability of the profitability between 1997 and 1999. The Czech banks recorded negative ROE and ROA, the worth return on equity being observed in 1999 (-18.5%). 1998 was a black year for Hungarian banks that registered a ROE of -24.4% and a ROA of -2.39%, but a slight recovery took place in 1999: 3.5% and 0.35% respectively. The evolution of these two ratios reveals that the Polish banking industry faced up to the 1998 crisis without suffering bad results, even if in 1999 ROE and ROA are twice as low as in 1997 (11.4% and 0.95%).

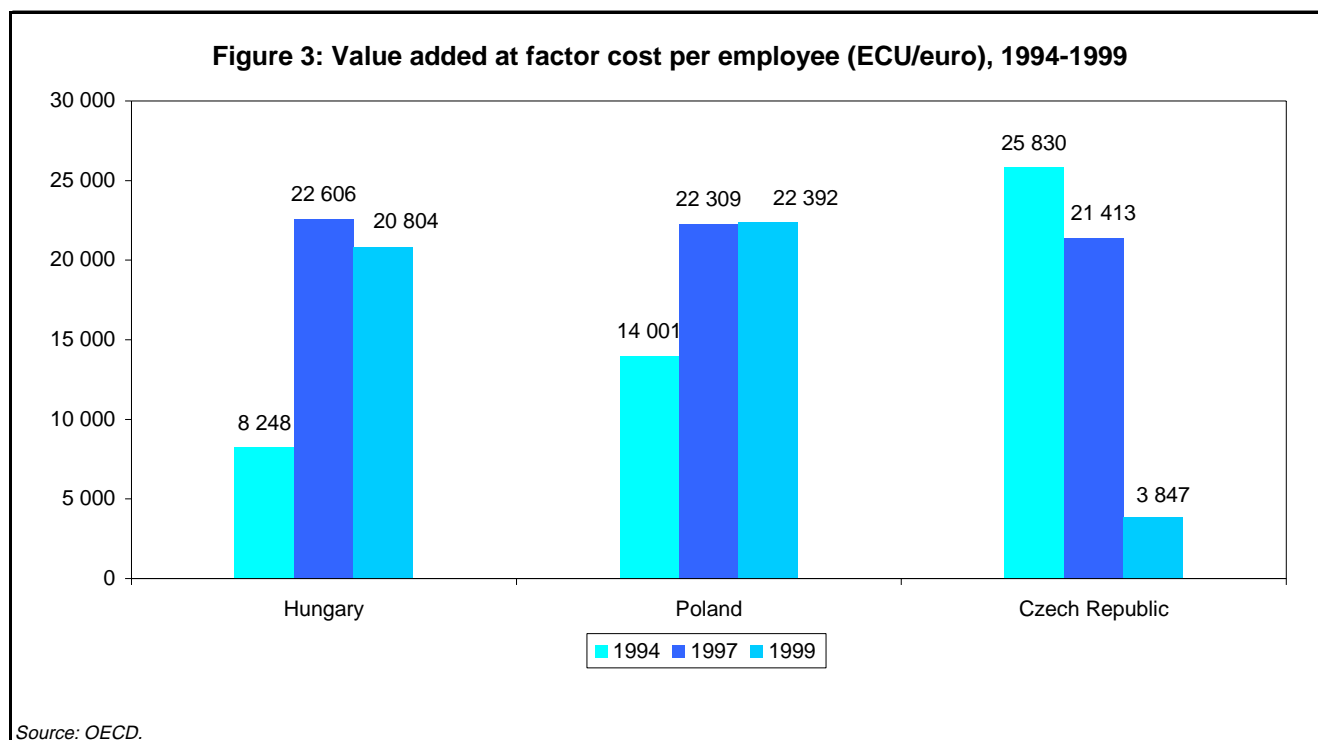
The structure of the banking activity is comparable in the three countries. Income is produced mostly by activities generating interests, as shown by the ratio net interest income on net commission income, which in 1999 reached 3.48 in the Czech Republic (3.78 in 1997), 4.56 in Hungary (5.2 in 1997) and 3.17 in Poland (4.2 in 1997). However, the comparison with 1997 figures reveals a progressive diversification towards activities generating commissions.

The balance sheet total remained stable in the Czech Republic and in Hungary over the period, while Polish commercial banks experienced a 19.2% growth. The banks in these three applicant countries record a satisfactory level of capitalisation, since in 1999 capital and reserves represented 8.3% of the balance sheet total in the Czech Republic and Poland and 9.9% in Hungary.

### ...Growing personnel costs

Between 1994 and 1999, the number of employees in banks dropped from 57 000 to 49 000 in the Czech Republic (-14%) and from 36 000 to 28 000 in Hungary (-22.2%). Poland on the contrary recorded a growth of the staff working in commercial banks (16.2%). Over the same period, Czech and Polish banks recorded a dramatic increase of the personnel costs: personnel costs per bank rose from ECU 6 Mio to euro 12.5 Mio (109.5%) and from ECU 7.6 Mio to euro 19.5 Mio (155.6%) respectively. The growth was much lower in Hungary (12.7%) where personnel costs per bank amounted to euro 9.8 Mio in 1999. Personnel costs per employee also reveal discrepancies. Hungarian banks recorded the highest unit labour cost (personnel costs per employee) in 1999 (euro 15 082), then came Czech banks (euro 11 003), and finally Polish banks with euro 10 030: the EU-15 average was 5 times as high as that.

The growth of the unit personnel cost can be compared to the evolution of the labour productivity (value added at factor cost per employee). Over the 1994-1999 period the labour productivity experienced a considerable increase in Hungary (152%), a strong one in Poland (60%), while it dropped by 85% in the Czech Republic. In 1999, Polish banks recorded the highest value added at factor cost per employee (euro 22 392), followed by Hungarian banks (euro 20 804). In 1999, in the Czech Republic the labour productivity (euro 3 847) did not cover the unit personnel cost (euro 11 003).



Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the evolutions that may be calculated using data for EU-15 aggregate included in the table.

## EUROPEAN CREDIT INSTITUTIONS COMPARED TO THEIR US AND JAPANESE COUNTERPARTS

**Table 1: Total number of credit institutions, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99	Annual average change (%)	For 1 000 000 inhabitants <sup>1</sup> 1999
EU-15 <sup>2</sup>	9 938	9 620	9 348	9 178	8 788	7 969	-16.5	-3.5	22
EUR-11 <sup>2</sup>	8 886	8 578	8 304	8 190	7 809	7 023	-17.3	-3.7	25
EEA <sup>2</sup>	10 268	9 948	9 564	9 395	9 008	8 185	-16.1	-3.5	22
Switzerland	428	418	408	399	381	377	-11.9	-2.5	53
USA <sup>3</sup>	10 489	9 983	9 576	9 188	8 814	8 620	-17.8	-3.8	32
Japan <sup>4</sup>	140	139	136	136	130	127	-9.3	-1.9	1

(1) Source: Eurostat/Population and Social Conditions/Demography/Population.

(2) For available data only.

(3) Commercial banks. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.1: Profit and loss account, income components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Interest receivable and similar income					Commissions receivable				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	985 108	1 053 711	1 008 596	7.0	-3.8	92 126	108 852	129 736	18.2	20.3
EUR-11 <sup>1</sup>	719 322	748 446	732 235	4.0	-1.4	67 575	80 706	95 057	19.4	19.2
EEA <sup>1</sup>	994 141	1 064 171	1 021 462	7.0	-3.5	93 099	109 819	130 783	18.0	20.1
Switzerland	40 665	42 653	41 307	4.9	-3.2	13 255	14 807	16 561	11.7	11.9
USA <sup>2,3</sup>	298 248	320 388	343 578	7.4	7.2	68 923	82 263	99 917	19.4	21.5
Japan <sup>4</sup>	153 423	124 642	130 287	-18.8	4.5	11 003	10 082	12 465	-8.4	23.6

	Net profit or net loss on financial operations					Other operating income				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	29 962	50 497	37 867	68.5	-24.6	28 190	36 594	35 547	29.8	-2.0
EUR-11 <sup>1</sup>	23 327	27 888	23 530	19.6	-14.9	21 112	23 659	25 943	12.1	11.2
EEA <sup>1</sup>	30 255	50 631	38 274	67.4	-24.0	28 491	37 155	36 060	30.4	-2.1
Switzerland	4 960	3 054	6 703	-38.4	119.5	907	1 549	1 347	70.8	-13.0
USA <sup>2</sup>	8 681	9 626	10 068	10.9	4.6	17 328	21 468	25 680	23.9	19.6
Japan <sup>4</sup>	- 5 917	- 21 472	3 163	-	-	3 319	3 365	- 636	-	-

(1) For available data only.

(2) Commercial banks. Provisional data for 1999. Source: OECD.

(3) Commission receivable = net commission income.

(4) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.2: Profit and loss account, charges components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Interest payable and similar charges					Commissions payable				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	754 024	822 937	769 535	9.1	-6.1	18 275	21 275	25 654	16.4	21.4
EUR-11 <sup>1</sup>	547 248	569 476	553 848	4.1	-2.2	11 851	13 912	16 082	17.4	16.9
EEA <sup>1</sup>	759 910	830 368	778 852	9.3	-5.8	18 491	21 507	25 901	16.3	21.3
Switzerland	29 671	31 022	29 264	4.6	-5.7	1 191	1 337	1 677	12.3	25.4
USA <sup>2</sup>	145 071	158 773	164 072	9.4	3.3	:	:	:	:	:
Japan <sup>3</sup>	86 660	63 235	55 674	-27.0	-12.0	4 127	3 858	4 522	-6.5	17.2

	Other expenses <sup>4</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	105 253	109 482	154 454	4.0	7.6
EUR-11 <sup>1</sup>	99 958	103 982	109 636	4.0	6.7
EEA <sup>1</sup>	106 800	111 004	156 100	3.9	7.6
Switzerland	:	:	:	:	:
USA <sup>2</sup>	86 990	101 841	110 921	17.1	8.9
Japan <sup>3</sup>	25 157	23 187	27 278	-7.8	17.6

(1) For available data only.

(2) Commercial banks. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Source: OECD.

(4) Other expenses = Other administrative expenses + Other operating charges.

For USA and Japan, Other expenses = Property costs + Other.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.3: Profit and loss account, profit or loss (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Profit or loss for the financial year <sup>1</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>2</sup>	46 847	73 414	81 499	56.7	12.5
EUR-11 <sup>2</sup>	36 002	55 671	56 142	54.6	2.6
EEA <sup>2</sup>	48 090	74 515	83 219	54.9	13.2
Switzerland	2 521	8 860	8 073	251.4	-8.9
USA <sup>3</sup>	52 211	54 822	66 755	5.0	21.8
Japan <sup>4</sup>	- 29 319	- 38 999	9 225	-	-

(1) For the USA and Japan, Profit after tax.

(2) For available data only.

(3) Commercial banks. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.4: Profit and loss account, macroeconomic variables (Mio of ECU (94-98) / euro (99)), 1994-1999**

	Production value <sup>1</sup>						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
EU-15 <sup>2</sup>	327 129	332 508	345 131	427 360	476 833	480 178	39.1
EUR-11 <sup>2</sup>	241 812	250 346	262 466	321 289	352 258	349 582	36.3
EEA <sup>2</sup>	330 931	336 498	349 788	432 181	481 667	485 982	39.5
Switzerland	23 178	25 835	27 675	31 372	33 113	39 090	68.7
USA <sup>3</sup>	187 348	182 550	204 420	248 110	274 970	315 171	68.2
Japan <sup>4</sup>	:	87 512	70 867	75 169	53 383	89 605	2.4

	Value added at factor cost <sup>1</sup>						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
EU-15 <sup>2</sup>	218 119	212 834	222 183	263 587	297 910	300 067	30.2
EUR-11 <sup>2</sup>	170 069	173 207	181 586	209 482	234 364	223 861	25.5
EEA <sup>2</sup>	220 606	215 339	225 176	266 646	300 992	303 977	30.6
Switzerland	18 437	20 301	20 951	23 682	24 685	29 692	61.0
USA <sup>5</sup>	138 853	151 655	164 937	182 717	194 095	217 686	56.8
Japan <sup>4</sup>	:	69 813	57 448	62 897	38 564	70 127	0.4

(1) For the USA and Japan, Income from shares and other variable-yield securities excluded.

(2) For available data only.

(3) Commercial banks. Net commission income included. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Change (%) 95-99. Source: OECD.

(5) Commercial banks. Provisional data for 1999. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



Table 2.5: Profit and loss account, ratios, 1997-1999

	Interest and commission received per enterprise (Mio of ECU (97-98) / euro (99))					Profit or loss for the financial year <sup>4</sup> / (Net interest + Net commission income)			Profit or loss for the financial year <sup>4</sup> / Operating income <sup>5</sup>		
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	1997	1998	1999
EU-15 <sup>1</sup>	117	132	143	12.1	4.1	0.15	0.23	0.24	0.11	0.15	0.16
EUR-11 <sup>1</sup>	96	106	118	9.8	6.7	0.16	0.23	0.22	0.11	0.16	0.15
EEA <sup>1</sup>	116	130	141	12.0	4.3	0.16	0.23	0.24	0.11	0.15	0.16
Switzerland	135	151	153	11.6	1.8	0.11	0.35	0.30	-	-	-
USA <sup>2</sup>	40	46	51	14.3	12.6	0.24	0.22	0.24	0.21	0.20	0.21
Japan <sup>3</sup>	1209	1036	1124	-14.3	8.5	-0.40	-0.58	0.11	-0.39	-0.73	0.10
	Net interest income / Net commission income			Net interest income / Non-interest income <sup>5,6</sup>			Cost on income ratio <sup>7</sup>				
	1997	1998	1999	1997	1998	1999	1997	1998	1999		
EU-15 <sup>1</sup>	3.13	2.64	2.30	1.19	0.94	0.92	0.67	0.63	0.64		
EUR-11 <sup>1</sup>	3.09	2.68	2.26	1.15	1.03	0.94	0.68	0.64	0.65		
EEA <sup>1</sup>	3.14	2.65	2.31	1.19	0.94	0.92	0.67	0.63	0.64		
Switzerland	0.91	0.86	0.81	-	-	-	-	-	-		
USA <sup>2</sup>	2.22	1.96	1.80	1.61	1.43	1.32	-	-	-		
Japan <sup>3</sup>	9.71	9.87	9.39	7.94	-7.65	4.98	0.73	0.92	0.64		

(1) For available data only.

(2) Commercial banks. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Source: OECD.

(4) For the USA and Japan, Profit after tax.

(5) For the USA and Japan, Income from securities excluded.

(6) For the USA, net commission income included.

(7) For Japan, Income from securities excluded.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.1: Balance sheet, main items (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Loans and advances to customers <sup>1</sup>					Amounts owed to customers <sup>2</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>3</sup>	9 240 114	10 034 311	10 819 601	9.4	8.8	8 574 135	9 066 435	9 771 214	6.5	8.5
EUR-11 <sup>3</sup>	5 846 902	6 218 840	6 770 714	7.6	10.4	5 117 890	5 292 195	5 635 445	4.7	7.6
EEA <sup>3</sup>	9 370 634	10 177 045	10 977 646	9.4	8.8	8 663 049	9 179 715	9 897 918	6.7	8.5
Switzerland	509 799	560 323	579 929	9.9	3.5	489 738	555 291	618 984	13.4	11.5
USA <sup>4</sup>	2 775 341	3 051 075	3 397 755	9.9	11.4	2 952 264	3 211 566	3 521 587	8.8	9.7
Japan <sup>5</sup>	3 329 741	2 968 871	3 456 525	-10.8	16.4	3 809 013	3 384 062	4 081 339	-11.2	20.6

	Total of capital and reserves					Balance sheet total				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>3</sup>	904 626	973 618	1 119 755	8.8	15.9	17 356 527	18 670 070	20 273 211	8.4	9.3
EUR-11 <sup>3</sup>	647 631	682 624	774 431	7.1	14.7	12 960 857	13 777 631	15 131 356	7.4	10.8
EEA <sup>3</sup>	918 932	988 313	1 136 452	8.7	15.9	17 521 650	18 844 555	20 467 764	8.4	9.3
Switzerland	51 281	53 187	59 450	3.7	11.8	1 113 085	1 302 809	1 441 658	17.0	10.7
USA <sup>4</sup>	365 380	405 101	442 867	10.9	9.3	4 384 051	4 800 375	5 323 014	9.5	10.9
Japan <sup>5</sup>	143 382	195 354	245 181	36.2	25.5	5 081 020	4 473 328	5 236 874	-12.0	17.1

(1) Loans.

(3) For available data only.

(5) Commercial banks. Source: OECD.

(2) Non-bank deposits.

(4) Commercial banks. Provisional data for 1999. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.2: Balance sheet ratios, 1997-1999**

	Balance sheet total per enterprise (Mio of ECU (97-98) / euro (99))						Loans and advances to customers <sup>1</sup> / Amounts owed to customers <sup>2</sup>		
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	
EU-15 <sup>3</sup>	1 891	2 124	2 544	12.6	15.6	1.08	1.11	1.11	
EUR-11 <sup>3</sup>	1 583	1 764	2 155	11.9	17.5	1.14	1.18	1.20	
EEA <sup>3</sup>	1 865	2 092	2 501	12.4	15.5	1.08	1.11	1.11	
Switzerland	2 790	3 419	3 824	22.6	11.8	1.04	1.01	0.94	
USA <sup>4</sup>	477	545	618	14.1	13.4	0.94	0.95	0.96	
Japan <sup>5</sup>	37 360	34 410	41 235	-7.9	19.8	0.87	0.88	0.85	

	Loans and advances to customers <sup>1</sup> as % of year-end balance sheet total			Amounts owed to customers <sup>2</sup> as % of year-end balance sheet total			Total of capital and reserves as % of year-end balance sheet total		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
EU-15 <sup>3</sup>	53.2	53.7	53.4	49.4	48.6	48.2	5.2	5.2	5.5
EUR-11 <sup>3</sup>	45.1	45.1	44.7	39.5	38.4	37.2	5.0	5.0	5.1
EEA <sup>3</sup>	53.5	54.0	53.6	49.4	48.7	48.4	5.2	5.2	5.6
Switzerland	45.8	43.0	40.2	44.0	42.6	42.9	4.6	4.1	4.1
USA <sup>4</sup>	63.3	63.6	63.8	67.3	66.9	66.2	8.3	8.4	8.3
Japan <sup>5</sup>	65.5	66.4	66.0	75.0	75.6	77.9	2.8	4.4	4.7

(1) Loans.

(3) For available data only.

(5) Commercial banks. Provisional data for 1999. Source: OECD.

(2) Non-bank deposits.

(4) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 4: Financial ratios, 1997-1999**

	Net interest income as % of Balance sheet total			Net commission income as % of Balance sheet total		
	1997	1998	1999	1997	1998	1999
EU-15 <sup>1</sup>	1.34	1.24	1.18	0.43	0.47	0.51
EUR-11 <sup>1</sup>	1.34	1.30	1.18	0.43	0.48	0.52
EEA <sup>1</sup>	1.35	1.24	1.19	0.43	0.47	0.51
Switzerland	0.99	0.89	0.84	1.08	1.03	1.03
USA <sup>2</sup>	3.49	3.37	3.37	1.57	1.71	1.88
Japan <sup>3</sup>	1.31	1.37	1.42	0.14	0.14	0.15

	Return on assets <sup>4</sup> (%)			Return on equity <sup>5</sup> (%)		
	1997	1998	1999	1997	1998	1999
EU-15 <sup>1</sup>	0.34	0.49	0.54	5.2	7.3	7.8
EUR-11 <sup>1</sup>	0.31	0.46	0.51	4.7	7.0	7.5
EEA <sup>1</sup>	0.35	0.49	0.55	5.3	7.3	7.9
Switzerland	0.35	0.56	0.50	7.6	13.0	12.2
USA <sup>2</sup>	1.25	1.19	1.31	15.8	14.2	15.7
Japan <sup>3</sup>	-0.57	-0.85	0.17	-18.5	-23.0	4.2

(1) For available data only.

(4) For the USA and Japan, Profit after tax divided by average balance sheet total.

(2) Commercial banks. Provisional data for 1999. Source: OECD. (5) For the USA and Japan, Profit after tax divided by average capital and reserves.

(3) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.1: Number of persons employed, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>1</sup>	2 273 145	2 274 056	2 693 749	2 708 050	2 727 458	2 728 146	1.4
EUR-11 <sup>1</sup>	2 127 623	2 128 139	2 106 593	2 104 639	2 113 964	2 096 200	1.3
EEA <sup>1</sup>	2 301 125	2 302 991	2 723 995	2 734 107	2 753 164	2 753 714	1.4
Switzerland <sup>2</sup>	121 344	120 692	120 578	120 565	119 668	120 986	-0.3
USA <sup>3</sup>	1 483 000	1 479 000	1 484 000	1 530 000	1 612 000	1 644 000	10.9
Japan <sup>4</sup>	414 000	399 600	383 000	367 100	350 000	335 000	-19.1

(1) For available data only.

(3) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(2) Nace Rev.1 class 65.22 not available.

(4) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.2: Employment in banking as a % of total employment<sup>1</sup>, 1994-1999**

	1994	1995	1996	1997	1998	1999
EU-15 <sup>2</sup>	1.90	1.86	1.81	1.83	1.81	1.81
EUR-11 <sup>2</sup>	1.92	1.91	1.88	1.89	1.87	1.85
EEA <sup>2</sup>	1.90	1.85	1.81	1.82	1.80	1.80
Switzerland	-	-	3.32	3.32	3.26	3.25
USA <sup>3</sup>	-	1.13	1.13	1.14	1.19	1.19
Japan <sup>4</sup>	-	0.60	0.57	0.54	0.52	0.50

(1) For European figures, Eurostat/Population and Social Conditions/Labour Force Survey/Employment.

For the USA, Civilian labour force, Bureau of US Labour Statistics.

For Japan, Persons employed (annual average) according to the European System of National Accounts.

(2) For available data only.

(3) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.3: Number of persons employed per credit institution, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>1</sup>	243	251	288	297	310	342	21.8
EUR-11 <sup>1</sup>	239	248	254	259	271	298	22.5
EEA <sup>1</sup>	239	247	285	293	306	336	21.8
Switzerland	284	289	296	302	314	321	13.2
USA <sup>2</sup>	141	148	155	167	183	191	34.9
Japan <sup>3</sup>	2 957	2 875	2 816	2 699	2 692	2 638	-10.8

(1) For available data only.

(2) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 6.1: Personnel costs (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>1</sup>	111 166	114 847	119 930	125 524	129 936	137 486	23.1
EUR-11 <sup>1</sup>	95 908	100 232	104 033	104 886	106 554	111 639	17.7
EEA <sup>1</sup>	112 208	115 972	121 164	126 851	131 236	138 895	23.1
Switzerland	8 424	9 198	9 915	10 524	10 240	13 147	56.1
USA <sup>2</sup>	51 200	48 939	53 377	63 796	70 920	80 831	57.9
Japan <sup>3</sup>	29 267	28 963	25 453	25 451	22 273	25 761	-12.0

(1) For available data only.

(3) Commercial banks. Source: OECD.

(2) Commercial banks. Provisional data for 1999. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 6.2: Personnel costs per credit institution (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>1</sup>	11.3	12.0	12.9	13.8	14.8	17.3	47.6
EUR-11 <sup>1</sup>	10.8	11.7	12.5	12.9	13.6	15.9	42.3
EEA <sup>1</sup>	11.2	11.8	12.7	13.6	14.6	17.0	47.6
Switzerland	19.7	22.0	24.3	26.4	26.9	34.9	77.2
USA <sup>2</sup>	4.9	4.9	5.6	6.9	8.0	9.4	92.1
Japan <sup>3</sup>	209.0	208.4	187.2	187.1	171.3	202.8	-3.0

(1) For available data only.

(3) Commercial banks. Source: OECD.

(2) Commercial banks. Provisional data for 1999. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 6.3: Personnel costs per person employed (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>1</sup>	45 323	46 981	45 415	46 352	47 640	50 395	17.0
EUR-11 <sup>1</sup>	45 557	47 099	49 384	49 836	50 405	53 258	16.2
EEA <sup>1</sup>	45 221	46 877	45 363	46 396	47 667	50 439	17.2
Switzerland	69 419	76 208	82 230	87 287	85 567	108 662	56.5
USA <sup>2</sup>	34 525	33 089	35 969	41 697	43 995	49 167	42.4
Japan <sup>3</sup>	70 693	72 480	66 456	69 331	63 637	76 900	8.8

(1) For available data only.

(2) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 7.1: Personnel costs as a % of other expenses<sup>1</sup>, 1997-1999**

	1997	1998	1999
EU-15 <sup>2</sup>	105.9	103.3	89.0
EUR-11 <sup>2</sup>	104.9	102.5	101.8
EEA <sup>2</sup>	105.6	103.1	89.0
Switzerland	-	-	-
USA <sup>3</sup>	73.3	69.6	72.9
Japan <sup>4</sup>	101.2	96.1	94.4

(1) Other expenses = Other administrative expenses + Other operating charges. For USA and Japan, Other expenses = Property costs + Other.

(2) For available data only. (3) Commercial banks. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 7.2: Personnel costs as a % of net interest and net commission income, 1997-1999**

	1997	1998	1999
EU-15 <sup>1</sup>	41.2	40.8	40.1
EUR-11 <sup>1</sup>	46.0	43.4	43.4
EEA <sup>1</sup>	41.1	40.7	40.0
Switzerland	45.6	40.8	48.8
USA <sup>2</sup>	28.7	29.1	28.9
Japan <sup>3</sup>	34.6	32.9	31.2

(1) For available data only. (2) Commercial banks. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 8.1: Balance sheet total per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	6 359 711	6 845 227	7 431 131	7.1	8.3
EUR-11 <sup>1</sup>	6 094 510	6 517 439	7 218 470	8.1	10.4
EEA <sup>1</sup>	6 359 494	6 844 690	7 432 785	7.1	8.3
Switzerland	9 232 241	10 886 861	11 915 908	17.9	9.5
USA <sup>2</sup>	2 865 393	2 977 900	3 237 843	3.9	8.7
Japan <sup>3</sup>	13 840 970	12 780 937	15 632 459	-7.7	22.3

(1) For available data only.

(2) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(3) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 8.2: Value added at factor cost<sup>1</sup> per person employed (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
EU-15 <sup>2</sup>	80 709	80 688	82 481	97 335	109 226	109 989	15.2
EUR-11 <sup>2</sup>	79 934	81 389	86 199	99 533	110 865	106 794	18.0
EEA <sup>2</sup>	80 808	80 762	82 664	97 526	109 326	110 388	15.2
Switzerland	151 940	168 209	173 754	196 424	206 280	245 420	61.5
USA <sup>3</sup>	78 712	78 393	87 532	105 307	107 401	124 240	57.8
Japan <sup>4</sup>	:	142 025	108 626	124 992	75 254	172 552	21.5

(1) For the USA and Japan, Income from shares and other variable-yield securities excluded.

(2) For available data only.

(3) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Number of employees. Source: OECD. Change (%) 95-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 8.3: Profit or loss for the financial year<sup>1</sup> per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>2</sup>	17 299	26 917	29 873	52.2	11.7
EUR-11 <sup>2</sup>	17 106	26 335	26 783	54.0	2.2
EEA <sup>2</sup>	17 589	27 065	30 221	50.5	12.4
Switzerland	20 912	74 037	66 724	254.0	-9.9
USA <sup>3</sup>	34 125	34 008	40 605	-0.3	19.4
Japan <sup>4</sup>	- 79 865	- 111 427	27 536	-	-

(1) For the USA and Japan, Profit after tax.

(2) For available data only.

(3) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(4) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 8.4: Interest and commission received<sup>1</sup> per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>2</sup>	397 790	426 244	417 255	7.2	-2.5
EUR-11 <sup>2</sup>	373 887	392 226	394 663	4.9	0.2
EEA <sup>2</sup>	397 658	426 415	418 433	7.2	-2.2
Switzerland	447 225	480 157	478 311	7.4	-0.4
USA <sup>3</sup>	239 981	249 783	269 766	4.1	8.0
Japan <sup>4</sup>	447 907	384 927	426 124	-14.1	10.7

(1) For the USA, net commission income included.

(3) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

(2) For available data only.

(4) Commercial banks. Number of employees. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 8.5: Net interest and net commission income per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
EU-15 <sup>1</sup>	112 603	116 721	125 779	3.7	10.3
EUR-11 <sup>1</sup>	108 236	116 257	122 776	7.4	8.8
EEA <sup>1</sup>	112 958	116 998	126 190	3.6	10.3
Switzerland	191 248	209 752	222 571	9.7	6.1
USA <sup>2</sup>	145 164	151 289	169 966	4.2	12.3
Japan <sup>3</sup>	200 598	193 235	246 435	-3.7	27.5

(1) For available data only.

(3) Commercial banks. Number of employees. Source: OECD.

(2) Commercial banks. Number of employees. Provisional data for 1999. Source: OECD.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



## CREDIT INSTITUTIONS IN THE CZECH REPUBLIC, HUNGARY AND POLAND

**Table 1: Total number of credit institutions, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99	For 1 000 000 inhabitants <sup>1</sup> 1999
Czech Republic <sup>2</sup>	56	58	54	51	46	43	-23.2	4
Hungary <sup>3</sup>	43	43	41	44	44	43	0.0	4
Poland <sup>3</sup>	82	81	81	83	83	77	-6.1	2

(1) Source: Eurostat/Population and Social Conditions/Demography/Population.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 2: Profit and loss account, income components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Interest receivable and similar income					Commissions receivable				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	5 466	6 097	4 336	11.6	-28.9	407	480	544	17.8	13.5
Hungary <sup>2</sup>	4 029	3 873	3 455	-3.9	-10.8	321	315	351	-1.9	11.3
Poland <sup>2</sup>	8 878	9 640	8 144	8.6	-15.5	856	872	1 099	1.9	26.0

	Net profit or net loss on financial operations					Other operating income				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	803	673	677	-16.2	0.6	5 754	5 542	6 262	-3.7	13.0
Hungary <sup>2</sup>	191	- 163	29	-	-	- 226	- 310	- 131	-	-
Poland <sup>2</sup>	78	48	205	-38.5	326.4	432	599	768	38.7	28.3

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 3: Profit and loss account, charges components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Interest payable and similar charges					Commissions payable				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	4 116	4 475	2 959	8.7	-33.9	50	120	148	140.2	23.7
Hungary <sup>2</sup>	2 904	2 750	2 360	-5.3	-14.2	105	98	110	-6.7	12.5
Poland <sup>2</sup>	5 701	6 546	5 134	14.8	-21.6	98	115	149	16.4	30.0

	Other expenses <sup>3</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	7 107	7 527	8 525	5.9	13.2
Hungary <sup>2</sup>	584	594	650	1.7	9.5
Poland <sup>2</sup>	1 164	1 363	1 582	17.1	16.1

(1) All banks.

(2) Commercial banks.

(3) Other expenses = Property costs and Other.

Source: OECD

**Table 4: Profit and loss account, profit or loss (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Profit or loss for the financial year <sup>1</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>2</sup>	- 186	- 602	- 1 091	-	-
Hungary <sup>3</sup>	165	- 598	95	-	-
Poland <sup>3</sup>	1 248	421	736	-66.3	75.0

(1) Profit after tax.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 5: Profit and loss account, macroeconomic variables (Mio of ECU (94-98) / euro (99)), 1994-1999**

	Production value <sup>1</sup>						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
Czech Republic <sup>2</sup>	4 206	4 753	5 445	8 313	8 317	8 861	110.7
Hungary <sup>3</sup>	829	795	1 017	1 412	966	1 343	61.9
Poland <sup>3</sup>	2 392	3 051	3 469	4 542	4 613	5 081	112.4

	Value added at factor cost <sup>1</sup>						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
Czech Republic <sup>2</sup>	1 472	1 263	617	1 156	670	188	-87.2
Hungary <sup>3</sup>	297	258	568	723	274	583	96.2
Poland <sup>3</sup>	1 802	2 326	2 617	3 279	3 135	3 350	85.9

(1) Income from shares and other variable-yield securities excluded.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 6: Profit and loss account, ratios, 1997-1999**

	Interest and commission received per enterprise (Mio of ECU (97-98) / euro (99))					Cost on income ratio <sup>3</sup>		
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999
Czech republic <sup>1</sup>	115	143	114	24.2	-20.6	0.92	0.98	1.04
Hungary <sup>2</sup>	99	95	89	-3.7	-7.0	0.78	1.14	0.88
Poland <sup>2</sup>	117	127	120	8.0	-5.2	0.55	0.62	0.64
	Profit or loss for the financial year <sup>4</sup> / (Net interest + Net commission income)			Profit or loss for the financial year <sup>4</sup> / Operating income <sup>3</sup>				
	1997	1998	1999	1997	1998	1999		
Czech Republic <sup>1</sup>	-0.11	-0.30	-0.61	-0.02	-0.07	-0.12		
Hungary <sup>2</sup>	0.12	-0.45	0.07	0.12	-0.62	0.07		
Poland <sup>2</sup>	0.32	0.11	0.19	0.27	0.09	0.14		
	Net interest income / Net commission income			Net interest income / Non-interest income <sup>3</sup>				
	1997	1998	1999	1997	1998	1999		
Czech Republic <sup>1</sup>	3.78	4.51	3.48	0.19	0.24	0.18		
Hungary <sup>2</sup>	5.20	5.18	4.56	3.92	-7.12	4.42		
Poland <sup>2</sup>	4.20	4.08	3.17	2.33	2.04	1.45		

(1) All banks.

(2) Commercial banks.

(3) Income from securities excluded.

(4) Profit after tax.

Source: OECD

**Table 7: Balance sheet, main items (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Loans and advances to customers <sup>1</sup>					Amounts owed to customers <sup>2</sup>				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>3</sup>	30 573	28 001	25 411	-8.4	-9.2	33 497	32 130	31 847	-4.1	-0.9
Hungary <sup>4</sup>	11 036	11 237	13 229	1.8	17.7	16 831	16 570	18 423	-1.6	11.2
Poland <sup>4</sup>	29 155	33 113	39 201	13.6	18.4	42 020	47 752	52 147	13.6	9.2
	Total of capital and reserves					Balance sheet total				
	1997	1998	1999	Change (%) 97-98	Change (%) 98-99	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>3</sup>	6 098	6 218	5 675	2.0	-8.7	67 644	67 167	68 131	-0.7	1.4
Hungary <sup>4</sup>	2 770	2 679	2 861	-3.3	6.8	29 180	27 269	29 023	-6.5	6.4
Poland <sup>4</sup>	5 638	6 545	6 863	16.1	4.9	69 080	77 858	82 367	12.7	5.8

(1) Loans.

(2) Non-bank deposits.

(3) All banks.

(4) Commercial banks.

Source: OECD

**Table 8: Balance sheet ratios, 1997-1999**

	Balance sheet total per enterprise (Mio of ECU (97-98) / euro (99))					Loans and advances to customers <sup>1</sup> / Amounts owed to customers <sup>2</sup>			
	1997	1998	1999	Growth (%) 97-98	Growth (%) 98-99	1997	1998	1999	
Czech Republic <sup>3</sup>	1 326	1 460	1 584	10.1	8.5	0.91	0.87	0.80	
Hungary <sup>4</sup>	663	620	675	-6.5	8.9	0.66	0.68	0.72	
Poland <sup>4</sup>	832	938	1 070	12.7	14.0	0.69	0.69	0.75	
	Loans and advances to customers <sup>1</sup> as % of year-end balance sheet total			Amounts owed to customers <sup>2</sup> as % of year-end balance sheet total			Total of capital and reserves as % of year-end balance sheet total		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
Czech Republic <sup>3</sup>	45.2	41.7	37.3	49.5	47.8	46.7	9.0	9.3	8.3
Hungary <sup>4</sup>	37.8	41.2	45.6	57.7	60.8	63.5	9.5	9.8	9.9
Poland <sup>4</sup>	42.2	42.5	47.6	60.8	61.3	63.3	8.2	8.4	8.3

(1) Loans.

(2) Non-bank deposits.

(3) All banks.

(4) Commercial banks.

Source: OECD

**Table 9: Financial ratios, 1997-1999**

	Net interest income as % of Balance sheet total			Net commission income as % of Balance sheet total		
	1997	1998	1999	1997	1998	1999
Czech Republic <sup>1</sup>	2.00	2.42	2.02	0.53	0.54	0.58
Hungary <sup>2</sup>	3.86	4.12	3.77	0.74	0.80	0.83
Poland <sup>2</sup>	4.60	3.97	3.65	1.10	0.97	1.15
	Return on assets <sup>3</sup> (%)			Return on equity <sup>4</sup> (%)		
	1997	1998	1999	1997	1998	1999
Czech Republic <sup>1</sup>	-0.35	-1.13	-2.00	-3.1	-10.0	-18.5
Hungary <sup>2</sup>	0.65	-2.39	0.35	6.9	-24.4	3.5
Poland <sup>2</sup>	2.01	0.61	0.95	26.1	7.3	11.4

(1) All banks.

(2) Commercial banks.

(3) Profit after tax divided by average balance sheet total.

(4) Profit after tax divided by average capital and reserves.

Source: OECD

**Table 10: Number of employees, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>1</sup>	57 000	60 000	58 000	54 000	53 000	49 000	-14.0
Hungary <sup>2</sup>	36 000	35 000	33 000	32 000	30 000	28 000	-22.2
Poland <sup>2</sup>	128 700	136 100	144 200	147 000	149 000	149 600	16.2

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 11: Employment in banking as a % of total employment<sup>1</sup>, 1994-1999**

	1994	1995	1996	1997	1998	1999
Czech Republic <sup>2</sup>	1.16	1.21	1.17	1.09	1.09	1.03
Hungary <sup>3</sup>	0.96	0.95	0.90	0.88	0.81	0.73
Poland <sup>3</sup>	0.88	0.92	0.96	0.97	0.97	1.01

(1) Eurostat/Economy and Finance/Auxiliary indicators/Population and employment.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 12: Number of employees per credit institution, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>1</sup>	1018	1034	1074	1059	1152	1140	12.0
Hungary <sup>2</sup>	837	814	805	727	682	651	-22.2
Poland <sup>2</sup>	1570	1680	1780	1771	1795	1943	23.8

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 13: Personnel costs (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>1</sup>	335	407	467	531	507	539	60.9
Hungary <sup>2</sup>	375	344	317	419	411	422	12.7
Poland <sup>2</sup>	625	739	887	1 224	1 394	1 500	140.0

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 14: Personnel costs per credit institution (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>1</sup>	6.0	7.0	8.6	10.4	11.0	12.5	109.5
Hungary <sup>2</sup>	8.7	8.0	7.7	9.5	9.3	9.8	12.7
Poland <sup>2</sup>	7.6	9.1	11.0	14.7	16.8	19.5	155.6

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 15: Personnel costs per employee (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>1</sup>	5 880	6 791	8 050	9 828	9 567	11 003	87.1
Hungary <sup>2</sup>	10 413	9 833	9 594	13 106	13 689	15 082	44.8
Poland <sup>2</sup>	4 858	5 432	6 152	8 327	9 358	10 030	106.5

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 16: Personnel costs as a % of other expenses<sup>1</sup>, 1997-1999**

	1997	1998	1999
Czech Republic <sup>2</sup>	7.5	6.7	6.3
Hungary <sup>3</sup>	71.8	69.2	65.0
Poland <sup>3</sup>	105.1	102.3	94.8

(1) Other expenses = Property costs and Other.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 17: Personnel costs as a % of net interest and net commission income, 1997-1999**

	1997	1998	1999
Czech Republic <sup>1</sup>	31.1	25.6	30.4
Hungary <sup>2</sup>	31.3	30.6	31.6
Poland <sup>2</sup>	31.1	36.2	37.9

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 18: Balance sheet total per employee (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	1 252 673	1 267 297	1 390 429	1.2	9.7
Hungary <sup>2</sup>	911 879	908 969	1 036 539	-0.3	14.0
Poland <sup>2</sup>	469 934	522 537	550 581	11.2	5.4

(1) All banks.

(2) Commercial banks.

Source: OECD

**Table 19: Value added at factor cost<sup>1</sup> per employee (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
Czech Republic <sup>2</sup>	25 830	21 045	10 633	21 413	12 642	3 847	-85.1
Hungary <sup>3</sup>	8 248	7 357	17 222	22 606	9 128	20 804	152.2
Poland <sup>3</sup>	14 001	17 091	18 148	22 309	21 043	22 392	59.9

(1) Income from shares and other variable-yield securities excluded.

(2) All banks.

(3) Commercial banks.

Source: OECD

**Table 20: Profit or loss for the financial year<sup>1</sup> per employee (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>2</sup>	- 3 451	- 11 363	- 22 265	-	-
Hungary <sup>3</sup>	5 142	- 19 941	3 391	-	-
Poland <sup>3</sup>	8 492	2 823	4 919	-66.8	74.2

(1) Profit after tax. (2) All banks. (3) Commercial banks.

Source: OECD

**Table 21: Interest and commission received per employee (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	108 753	124 083	99 611	14.1	-19.7
Hungary <sup>2</sup>	135 952	139 608	135 920	2.7	-2.6
Poland <sup>2</sup>	66 216	70 553	61 779	6.6	-12.4

(1) All banks. (2) Commercial banks.

Source: OECD

**Table 22: Net interest and net commission income per employee (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-98	Change (%) 98-99
Czech Republic <sup>1</sup>	31 609	37 398	36 210	18.3	-3.2
Hungary <sup>2</sup>	41 921	44 684	47 689	6.6	6.7
Poland <sup>2</sup>	26 761	25 851	26 465	-3.4	2.4

(1) All banks. (2) Commercial banks.

Source: OECD

## *CHAPTER 2*

# **EU-15 BANKING SECTOR– KEY FIGURES**



In 1999, the EU counted 7 969 credit institutions, which represented a decrease of 16.5% compared to 1994 (excluding Ireland and Finland). The decline of the number of European credit institutions was the result of an intense process of concentration that took place during the decade. As a first step, the completion of the internal banking market led to a consolidation of the sector. Moreover, the liberalisation of financial services resulted in the privatisation of a number of banks owned by the state. This rationalisation process was followed by several waves of mergers and acquisitions, in particular at the end of the period. These national or cross border transactions were engaged by major players aiming to reach the critical mass to survive in an increasingly competitive environment.

Between 1994 and 1999, the number of persons employed (excluding Ireland, Finland and the United Kingdom) slightly grew (1.4%). This little growth explains the decrease of the employment in banking as a percentage of the total employment, from 1.90% in 1994 to 1.81% in 1999.

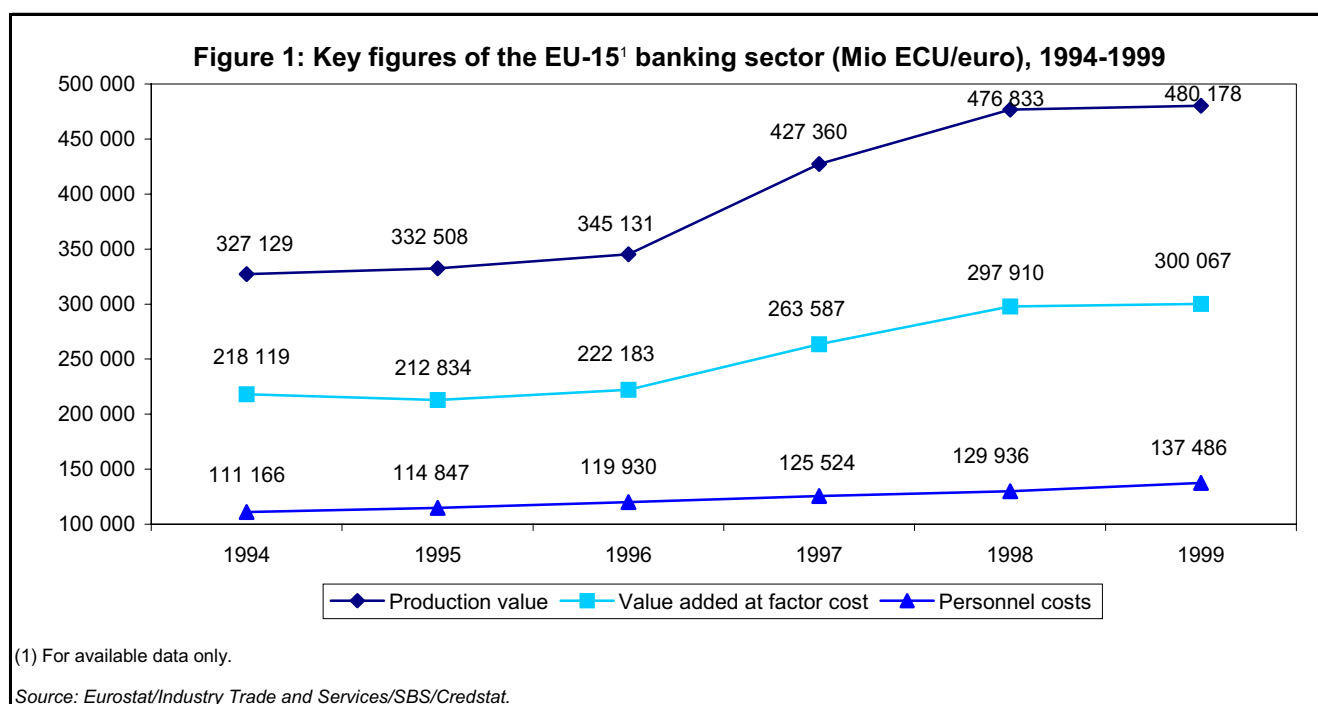
The production value measures the business generated by credit institutions. Over the period, European credit institutions recorded a steady growth of the production value (39.1%) (Germany, Greece, Ireland, Luxembourg, Austria and Finland excluded), from ECU 327 129 Mio to euro 480 178 Mio. This growth explains the good results of the European banking industry in terms of both profitability and productivity.

Derived from the production value, the value added at factor cost has increased by 28.3% (Germany, Greece, Ireland, Luxembourg, Austria and Finland excluded), from ECU 218 119 Mio to euro 300 067 Mio. The growth of the value added at factor cost has been lower than that of the production value because the production value has grown at a rhythm inferior to the growth of total purchases of goods and services.

The EU-15 average of labour productivity, measured by the value added at factor cost per person employed, recorded a 15.2% growth over the period (Germany, Greece, Ireland, Luxembourg, Austria, Finland and the United Kingdom excluded), amounting to euro 109 989 in 1999. During the same period, the average personnel costs increased by 17% (Greece, Ireland, Finland and the United Kingdom excluded). In 1999, personnel costs of EU-15 credit institutions represented 45.8% of value added at factor cost (Ireland and Finland excluded).

During the 1997-1999 period the profit for the financial year increased by 77.6% (Ireland and Finland excluded), amounting to euro 81 499 Mio in 1999. The profitability of EU credit institutions measured by the profit margin improved, from 0.11% to 0.16%.

The balance sheet total of EU-15 credit institutions in 1999 amounted to euro 20 273 bn, up 18.6% compared to 1997 (Ireland and Finland excluded). Whereas in 1997 the balance sheet total represented 238% of EU-15 GDP, it reached 260% in 1999.



Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the evolutions that may be calculated using data for EU-15 aggregate included in the table.

**Table 1 : Key figures<sup>1</sup> on the EU-<sup>2</sup> banking sector, 1994-1999**

		1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>Number of enterprises</b>		9 938	9 620	9 348	9 178	8 788	7 969	-16.5
<b>Number of persons employed</b>		2 273 145	2 274 056	2 693 749	2 708 050	2 727 458	2 728 146	1.4
<b>Number of persons employed as a % of total employment</b>	(3)	1.90	1.86	1.81	1.83	1.81	1.81	-
<b>Production value</b>	Mio	327 129	332 508	345 131	427 360	476 833	480 178	39.1
<b>Value added at factor cost</b>	Mio	218 119	212 834	222 183	263 587	297 910	300 067	28.3
<b>Labour productivity</b>	(4)	86 820	87 357	88 205	97 335	109 226	109 989	15.2
<b>Personnel costs</b>	Mio	111 166	114 847	119 930	125 524	129 936	137 486	23.1
<b>Personnel costs per person employed</b>		45 323	46 981	45 415	46 352	47 640	50 395	17.0
<b>Gross investment in tangible goods</b>	Mio	47 769	45 722	49 007	52 032	50 096	48 475	2.6
<b>Profit for the financial year</b>	Mio	:	:	:	46 847	73 414	81 499	77.6
<b>Profit for the financial year / Operating income</b>	(%)	:	:	:	0.11	0.15	0.16	-
<b>Balance sheet total</b>	Mio	:	:	:	17 356 527	18 670 070	20 273 211	18.6
<b>Balance sheet total as a % of GDP</b>	(5)	:	:	:	238	247	260	-

(1) Monetary data are expressed in ECU up to 1998 and in euro from

(2) For available data only.

(3) Source for Total employment: Eurostat/Population and Social Conditions/Labour Force

(4) Labour productivity = Value added at factor cost/Number of persons

(5) Source for GDP: Eurostat/Economy and Finance/National Accounts - Aggregates - Annual data/GDP and main

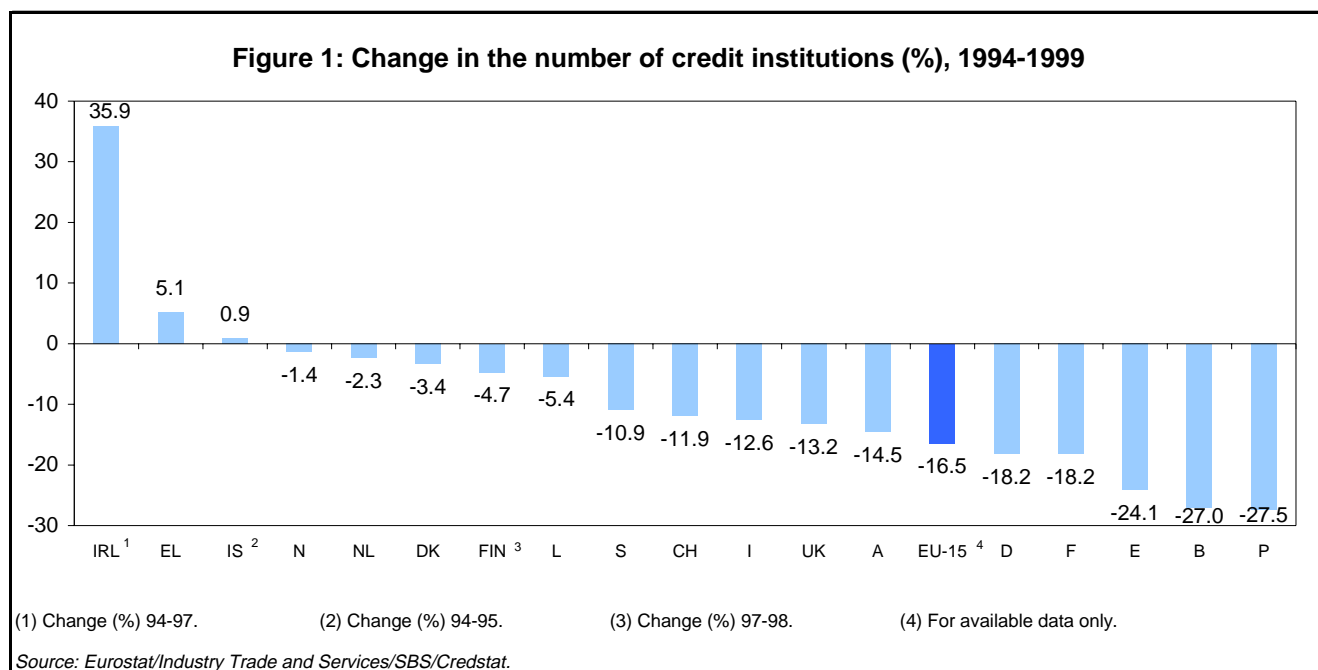
Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## *CHAPTER 3*

# **STRUCTURE OF THE EUROPEAN BANKING SECTOR**

## Declining number of credit institutions

In 1999, the number of credit institutions reached 7 969 in EU-15 and 7 023 in the Euro-zone. Since 1994, it has decreased by 16.5% in EU-15, while the Euro-zone (Ireland and Finland excluded) recorded a decline of 17.3%. During that period, all the Member States registered a decrease except Greece (+5.1%). The biggest drops were recorded in Portugal (-27.5%), Belgium (-27%), Spain (-24.1%) France (-18.2%) and Germany (-18.2%). Luxembourg, Denmark and the Netherlands experienced limited reductions (-5.4%, -3.4% and -2.3% respectively).



Germany is the Member State counting the highest number of credit institutions, which represented around 38% of the EU-15 total over the period. Then, come France, Italy and Austria. At the end of the list, we find Greece and Ireland, preceded by Belgium. In 1999, the EU registered 22 credit institutions for a million of inhabitants, this average density revealing high discrepancies: from 4 in Greece and 8 in the United Kingdom to 210 enterprises for a population of around 430 000 inhabitants in Luxembourg. Switzerland counted 53 credit institutions for 1 000 000 inhabitants.

## The average European credit institution has a balance sheet total below euro 1 bn

The present statistical publication covers the activities of credit institutions within the scope of NACE Rev.1 classes 65.12 'Other monetary intermediation' and 65.22 'Other credit granting'. Eight out of the eighteen countries covered classify credit institutions exclusively in NACE class 65.12, while Germany, Spain, France, Austria, Finland, Sweden, Norway and Switzerland consider some enterprises classified in NACE 65.22 as credit institutions as well.

Over the 1994-1999 period, Greece, France and Sweden were three exceptions to the general declining trend of the number of enterprises active in 'other monetary intermediation' (-27.5%, excluding Ireland and Finland). Indeed, these countries saw an increase of the number of these enterprises, 5.1%, 21.7% and 11.7% respectively.

European credit institutions are broken down into three categories: licensed banks, specialised credit granting institutions and other credit institutions. In 1999, the share of each category in the total number of credit institutions (Germany, France, Ireland and Finland excluded) was 94.7%, 3.4% and 1.9% respectively. In Belgium, Greece, Luxembourg, the Netherlands, Austria, Portugal, the United Kingdom and Switzerland, credit institutions were exclusively licensed banks. Specialised credit granting institutions were active in Denmark (4.5%), Spain (24.8%), Sweden (10.8%) and Norway (29.6%), whereas the other credit institutions represented around a third of Swedish institutions.

Five main legal statuses exist when it comes to defining European credit institutions: incorporated enterprise limited by shares, co-operative enterprise, public-law enterprise, branch of non-EEA enterprise and other.

Whereas in 1999 47.3% of European credit institutions (Ireland and Finland excluded) were co-operative enterprises, a majority of credit institutions were incorporated enterprises limited by shares in 8 Member States: Belgium, Greece, Spain, France, Luxembourg, the Netherlands, Sweden and the United Kingdom. The high proportion of co-operative enterprises is due to the large number of such enterprises in Germany, Italy and Austria. However, this legal status (Ireland and Finland excluded) decreased by 12.1% between 1997 and 1999. In 1999, the EU hosted 363 branches of non-EEA credit institutions.

In 1999, 78.5% of European credit institutions (Ireland, the Netherlands and Finland excluded) had a balance sheet total not exceeding euro 1 bn. While the number of credit institutions having a balance sheet total below ECU/euro 1 bn decreased by 12.8% between 1997 and 1999, the number of credit institutions with a balance sheet total over ECU/euro 1 bn grew by 6.7%. The number of very big banks (balance sheet total above ECU/euro 99 bn) registers a strong growth: from 22 in 1997 to 31 in 1999. The latter are mostly located in Germany and the United Kingdom (10 each) and France (6).

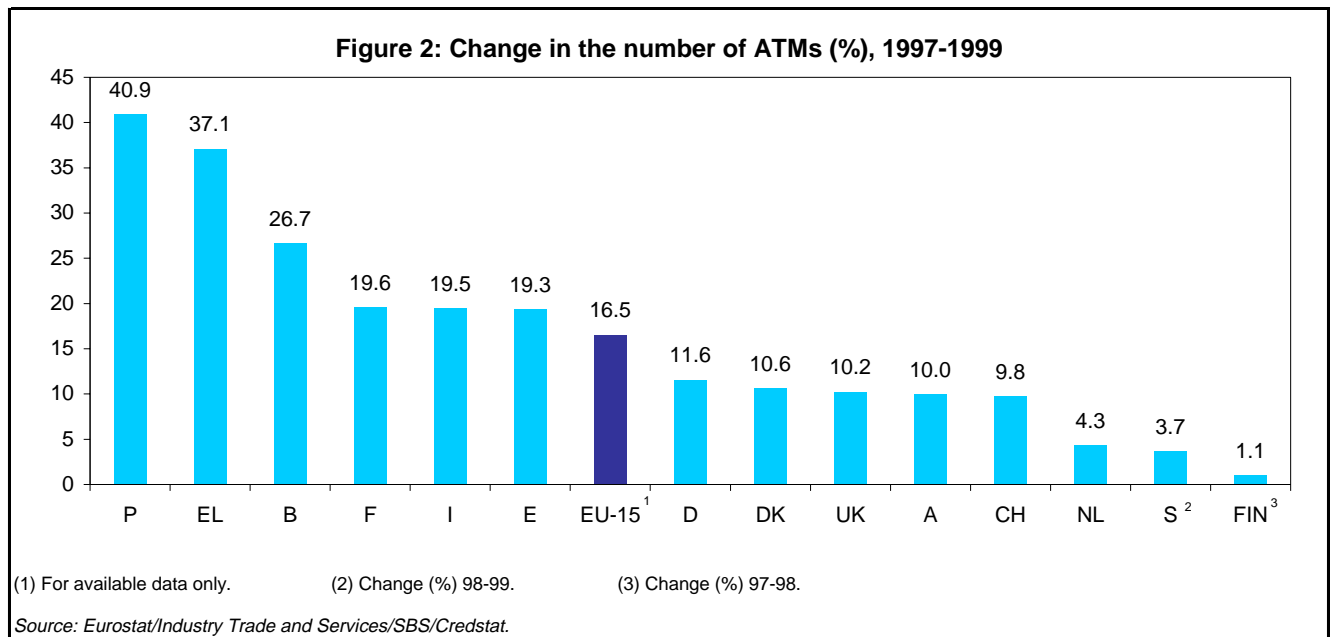
### Increasingly large distribution network

The number of local units increased from 189 688 in 1994 to 200 406 in 1999 (4.1% excluding Germany, Ireland, Luxembourg and Finland). Local units do not cover agents collecting deposits and granting credits on behalf of banks and that work on an independent basis. The number of local units has dramatically risen in Greece (52%) and Portugal (40%), while several countries have recorded drops: -20.4% in Sweden, -14.4% in Belgium and -13.9% in Germany (1995-1999) and the United Kingdom. Over the period, the number of local units of Swiss banks decreased by 22.7%.

On average, credit institutions in the EU owned 25 local units in 1999 compared to 19 in 1994. The number of local units per credit institution ranged from 1 in Luxembourg and 6 in Austria to 102 in Spain, whereas the Swiss average was of 8.

The ratio of the number of local units on the population permits to assess the density of the distribution network of credit institutions. In 1999, the EU (Ireland and Finland excluded) counted 547 local units for 1 000 000 inhabitants. It ranged from 233 in Greece to 1 000 in Spain.

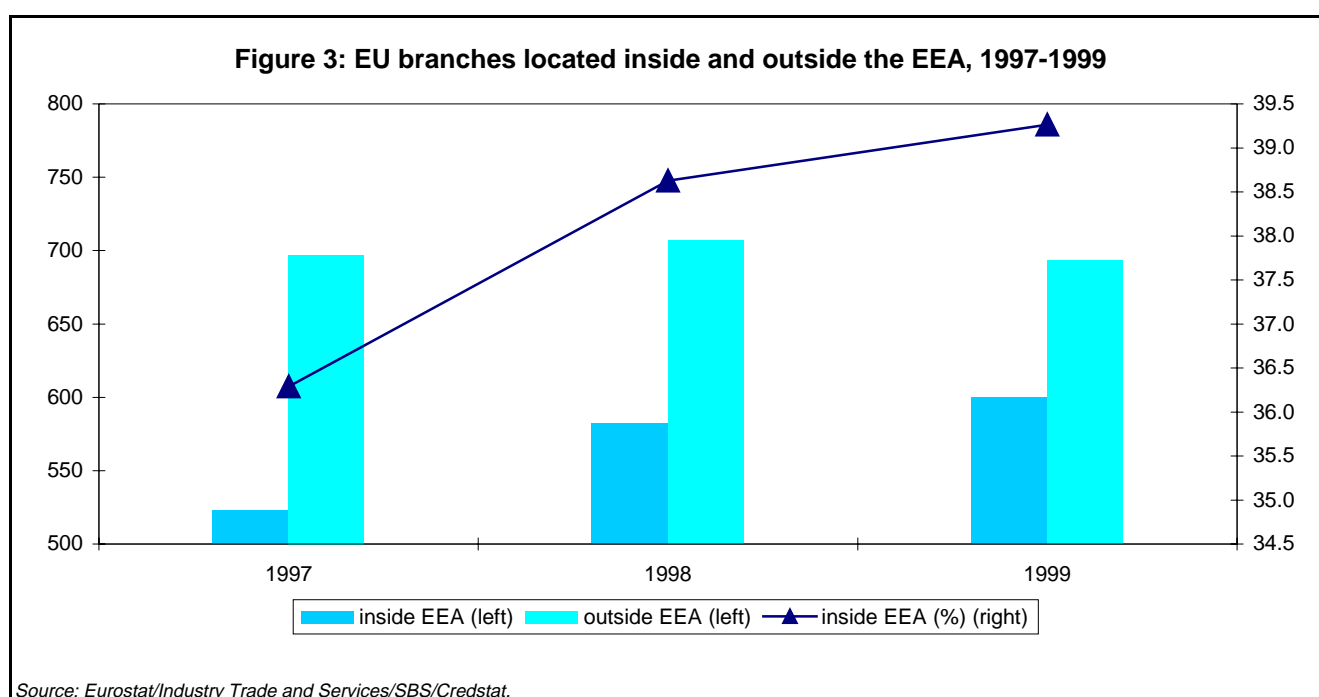
Another component of the distribution network is the Automatic Teller Machines (ATM) owned by credit institutions. While the number of local units (Ireland, Luxembourg and Finland excluded) registered a slight decrease (-1.4%) between 1997 and 1999, the number of ATMs (Ireland, Luxembourg, Finland and Sweden excluded) grew by 16.5% over the period, amounting to 195 588 in 1999. All the countries recorded a growth in the number of ATMs, in particular Portugal (40.9%), Greece (37.1%) and Belgium (26.7%). On average in the EU, credit institutions owned 25 ATMs in 1999 compared to 19 in 1997. The number of ATMs per credit institution ranged from 3 in Austria to 106 in Spain, which also registered the highest number of ATMs for a million of inhabitants (1 044), and Greece the lowest (283). The EU-15 average density (Ireland, Luxembourg, Finland and Sweden excluded) was of 534, up 16.1% compared to 1997.



## Growing volume of intra-EU cross-border activities via branches

The intra-EU internationalisation of credit institutions refers to the implantation of EU branches of credit institutions within the EU. Between 1997 and 1999, the number of EU branches within the EU increased from 506 to 577. Germany is the EU Member State hosting the largest number of EU branches, then come the United Kingdom, France and Luxembourg. These countries host over 65% of the total EU branches. The number of EU branches located in France increased by 77% over the period. German, French and British credit institutions are the most present in the other EU Member States through branches. Moreover the presence of German branches within the EU rose by 21.4% over the period.

The number of EU branches in the EEA as a % of the total number of EU branches abroad increased from 36.3% in 1997 to 39.3% in 1999, while the EU branches located outside the EEA represented 60.7% of the total EU branches abroad in 1999 compared to 63.7% in 1997. In 1999, a few countries had a majority of branches located outside the EEA: Germany (51.4%), Portugal (59.5%), the United Kingdom (82.5%) and Switzerland (96.1%).



Regarding the extra-EU internationalisation, the number of branches of EU-15 credit institutions located outside the EEA remained stable between 1997-1999. Whereas all the EU Member States saw a decrease of the number of their branches located outside the EEA, Germany and Belgium recorded a growth of 19.6% and 8 % respectively, the figure being stable for the UK (421 branches).

Around 60% of the EU branches located outside the EEA originate in the United Kingdom and 15% in Germany. In 1999, 85.8% of the EU branches located outside the EEA were implanted in non-EEA countries other than Switzerland, Japan and the USA.

Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the evolutions that may be calculated using data for EU-15 aggregate included in the table.

## NUMBER OF CREDIT INSTITUTIONS

**Table 1.1: Total number of credit institutions, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99	Annual average change (%)
<b>EU-15 <sup>1</sup></b>	<b>9 938</b>	<b>9 620</b>	<b>9 348</b>	<b>9 178</b>	<b>8 788</b>	<b>7 969</b>	<b>-16.5</b>	<b>-3.5</b>
<b>EUR-11 <sup>1</sup></b>	<b>8 886</b>	<b>8 578</b>	<b>8 304</b>	<b>8 190</b>	<b>7 809</b>	<b>7 023</b>	<b>-17.3</b>	<b>-3.7</b>
B	122	120	116	109	95	89	-27.0	-6.1
DK	208	204	203	204	201	201	-3.4	-0.7
D	3 736	3 651	3 542	3 471	3 295	3 055	-18.2	-3.9
EL	39	39	41	39	43	41	5.1	1.0
E	510	506	458	416	404	387	-24.1	-5.4
F	1 404	1 254	1 207	1 270	1 211	1 148	-18.2	-3.9
IRL	39	48	49	53	:	:	35.9 <sup>2</sup>	10.8 <sup>2</sup>
I	1 002	970	937	935	921	876	-12.6	-2.7
L	222	220	221	215	209	210	-5.4	-1.1
NL	173	174	172	169	162	169	-2.3	-0.5
A	1 018	1 001	979	954	925	870	-14.5	-3.1
P	302	285	276	232	226	219	-27.5	-6.2
FIN	358 <sup>3</sup>	349 <sup>3</sup>	347 <sup>3</sup>	366	361	:	-4.7 <sup>4</sup>	-1.2 <sup>4</sup>
S	238	239	246	210	210	212	-10.9	-2.3
UK	567	560	554	535	525	492	-13.2	-2.8
IS	111 <sup>3</sup>	112 <sup>3</sup>	:	:	:	:	0.9 <sup>5</sup>	0.9 <sup>5</sup>
N	219	216	216	217	220	216	-1.4	-0.3
<b>EEA <sup>1</sup></b>	<b>10 268</b>	<b>9 948</b>	<b>9 564</b>	<b>9 395</b>	<b>9 008</b>	<b>8 185</b>	<b>-16.1</b>	<b>-3.5</b>
CH	428	418	408	399	381	377	-11.9	-2.5

(1) For available data only.

(3) Nace Rev.1 class 65.22 not available.

(5) Change (%) 94-95.

(2) Change (%) 94-97.

(4) Change (%) 94-98. Only NACE class 65.12.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 1.2: Number of credit institutions for 1 000 000 inhabitants<sup>1</sup>, 1994-1999

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>2</sup></b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>22</b>	<b>-17.5</b>
<b>EUR-11<sup>2</sup></b>	<b>31</b>	<b>30</b>	<b>29</b>	<b>28</b>	<b>27</b>	<b>25</b>	<b>-18.3</b>
B	12	12	11	11	9	9	-27.9
DK	40	39	39	39	38	38	-5.5
D	46	45	43	42	40	37	-18.9
EL	4	4	4	4	4	4	4.0
E	13	13	12	11	10	10	-24.6
F	24	22	21	22	21	19	-19.9
IRL	11	13	14	15	-	-	33.3 <sup>3</sup>
I	18	17	16	16	16	15	-13.3
L	554	541	535	514	493	489	-11.6
NL	11	11	11	11	10	11	-4.9
A	127	125	122	118	115	108	-15.3
P	31	29	28	23	23	22	-28.1
FIN	71	68	68	71	70	-	-6.0 <sup>4</sup>
S	27	27	28	24	24	24	-12.0
UK	10	10	9	9	9	8	-14.7
IS	419	420	-	-	-	-	0.2 <sup>5</sup>
N	51	50	49	49	50	49	-4.0
<b>EEA<sup>2</sup></b>	<b>27</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>22</b>	<b>-17.2</b>
CH	61	60	58	56	54	53	-13.8

(1) Source: Eurostat/Population and Social Conditions/Demography/Population.

(2) For available data only.

(3) Change (%) 94-97.

(4) Change (%) 94-98. Only NACE class 65.12

(5) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



## BREAKDOWN BY NACE CLASSES

**Table 2.1: Number of enterprises classified under 'Other monetary intermediation'  
(Nace Rev.1 class 65.12), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>8 519</b>	<b>8 345</b>	<b>8 148</b>	<b>8 065</b>	<b>7 774</b>	<b>7 055</b>	<b>-27.5</b>
<b>EUR-11<sup>1</sup></b>	<b>7 594</b>	<b>7 426</b>	<b>7 226</b>	<b>7 163</b>	<b>6 879</b>	<b>6 197</b>	<b>-29.9</b>
B	122	120	116	109	95	89	-27.0
DK	208	204	203	204	201	201	-3.4
D	3 736	3 651	3 542	3 373	3 199	2 961	-20.7
EL	39	39	41	39	43	41	5.1
E	316	318	313	307	300	290	-8.2
F	446	438	424	588	562	543	21.7
IRL	:	:	:	:	:	:	-
I	1 002	970	937	935	921	876	-8.1
L	222	220	221	215	209	210	-5.4
NL <sup>2</sup>	173	174	172	169	162	169	-2.3
A	962	943	919	892	864	840	-12.7
P	257	243	235	232	226	219	-14.8
FIN	358	349	347	343	341	:	-4.7 <sup>3</sup>
S	111	116	124	124	126	124	11.7
UK	567	560	554	535	525	492	-13.2
IS	111	112	:	:	:	:	0.9 <sup>4</sup>
N	155	153	154	154	154	152	-1.9
<b>EEA<sup>1</sup></b>	<b>8 785</b>	<b>8 610</b>	<b>8 302</b>	<b>8 219</b>	<b>7 928</b>	<b>7 207</b>	<b>-27.9</b>
CH	423	413	403	395	378	375	-11.3

(1) For available data only.

(2) Concerns enterprises groups.

(3) Change (%) 94-98.

(4) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.2: Number of enterprises classified under 'Other credit granting'  
(Nace Rev.1 class 65.22), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>-</b>
<b>EUR-11<sup>1</sup></b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>-</b>
B	0	0	0	0	0	0	-
DK	0	0	0	0	0	0	-
D	0	0	0	98	96	94	-4.1 <sup>2</sup>
EL	0	0	0	0	0	0	-
E	194	188	145	109	104	97	-50.0
F	958	816	783	682	649	605	-36.8
IRL	:	:	:	:	:	:	-
I	0	0	0	0	0	0	-
L	0	0	0	0	0	0	-
NL	0	0	0	0	0	0	-
A	56	58	60	62	61	30	-46.4
P	45	42	41	0	0	0	-8.9 <sup>3</sup>
FIN	:	:	:	23	20	:	-13.0 <sup>4</sup>
S	127	123	122	86	84	88	-30.7
UK	0	0	0	0	0	0	-
IS	:	:	:	:	:	:	-
N	64	63	62	63	66	64	0.0
<b>EEA<sup>1</sup></b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>:</b>	<b>-</b>
CH	5	5	5	4	3	2	-60.0

(1) For available data only.

(2) Change (%) 97-99.

(3) Change (%) 94-96.

(4) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## BREAKDOWN BY CATEGORIES

**Table 3.1: Number of licensed banks, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>4 198</b>	<b>4 061</b>	<b>3 568</b>	<b>-6.4</b>
<b>EUR-11 <sup>1</sup></b>	<b>3 304</b>	<b>3 175</b>	<b>2 719</b>	<b>-6.8</b>
B	109	95	89	-18.3
DK	196	192	192	-2.0
D	:	:	:	-
EL	39	43	41	5.1
E	307	300	290	-5.5
F	:	:	:	-
IRL	44	:	:	-
I	931	917	872	-6.3
L	215	209	210	-2.3
NL	169	162	169	0.0
A	954	925	870	-8.8
P	232	226	219	-5.6
FIN	343	341	:	-0.6 <sup>2</sup>
S	124	126 <sup>3</sup>	124 <sup>3</sup>	0.0
UK	535	525	492	-8.0
IS	:	:	:	-
N	154	154	152	-1.3
<b>EEA <sup>1</sup></b>	<b>4 352</b>	<b>4 215</b>	<b>3 720</b>	<b>-6.2</b>
CH	399	381	377	-5.5

(1) For available data only.

(2) Change (%) 97-98.

(3) Including branches of foreign banks in Sweden.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.2: Number of specialised credit granting institutions, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>142</b>	<b>137</b>	<b>128</b>	<b>-9.9</b>
<b>EUR-11 <sup>1</sup></b>	<b>108</b>	<b>103</b>	<b>96</b>	<b>-11.1</b>
B	0	0	0	-
DK	8	9	9	12.5
D	:	:	:	-
EL	0	0	0	-
E	108	103	96	-11.1
F	:	:	:	-
IRL	0	:	:	-
I	0	0	0	-
L	0	0	0	-
NL	0	0	0	-
A	0	0	0	-
P	0	0	0	-
FIN	0	0	:	-
S	26	25	23	-11.5
UK	0	0	0	-
IS	:	:	:	-
N	63	66	64	1.6
<b>EEA <sup>1</sup></b>	<b>205</b>	<b>203</b>	<b>192</b>	<b>-6.3</b>
CH	0	0	0	-

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.3: Number of other credit institutions, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>97</b>	<b>84</b>	<b>70</b>	<b>7.7</b>
<b>EUR-11<sup>1</sup></b>	<b>37</b>	<b>25</b>	<b>5</b>	<b>0.0</b>
B	0	0	0	-
DK	0	0	0	-
D	:	:	:	-
EL	0	0	0	-
E	1	1	1	0.0
F	:	:	:	-
IRL	9	:	:	-
I	4	4	4	0.0
L	0	0	0	-
NL	0	0	0	-
A	0	0	0	-
P	0	0	0	-
FIN	23	20	:	-13.0 <sup>2</sup>
S	60	59	65	8.3
UK	0	0	0	-
IS	:	:	:	-
N	0	0	0	-
<b>EEA<sup>1</sup></b>	<b>97</b>	<b>84</b>	<b>70</b>	<b>7.7</b>
CH	0	0	0	-

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.4: Breakdown by categories of credit institutions in % of total number of enterprises, 1999**

	Licensed banks	Specialised credit granting institutions	Other credit institutions
<b>EU-15<sup>1</sup></b>	<b>94.7</b>	<b>3.4</b>	<b>1.9</b>
<b>EUR-11<sup>1</sup></b>	<b>96.4</b>	<b>3.4</b>	<b>0.2</b>
B	100.0	0.0	0.0
DK	95.5	4.5	0.0
D	-	-	-
EL	100.0	0.0	0.0
E	74.9	24.8	0.3
F	-	-	-
IRL	-	-	-
I	99.5	0.0	0.5
L	100.0	0.0	0.0
NL	100.0	0.0	0.0
A	100.0	0.0	0.0
P	100.0	0.0	0.0
FIN	-	-	-
S	58.5 <sup>2</sup>	10.8	30.7
UK	100.0	0.0	0.0
IS	-	-	-
N	70.4	29.6	0.0
<b>EEA<sup>1</sup></b>	<b>93.4</b>	<b>4.8</b>	<b>1.8</b>
CH	100.0	0.0	0.0

(1) For available data only.

(2) Including branches of foreign banks in Sweden.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## BREAKDOWN BY LEGAL STATUS

**Table 4.1: Number of incorporated enterprises limited by shares, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>2 654</b>	<b>2 568</b>	<b>2 433</b>	<b>-7.3</b>
<b>EUR-11 <sup>1</sup></b>	<b>2 140</b>	<b>2 058</b>	<b>1 936</b>	<b>-8.2</b>
B	70	62	60	-14.3
DK	72	73	75	4.2
D	190	191	178	-6.3
EL	23	22	19	-17.4
E	213	202	189	-11.3
F	932	874	811	-13.0
IRL	:	:	:	-
I	260	283	278	6.9
L	145	137	138	-4.8
NL	128	123	130	1.6
A	128	117	107	-16.4
P	44	42	45	2.3
FIN	30	27	:	-10.0 <sup>2</sup>
S	103	101	106	2.9
UK	316	314	297 <sup>3</sup>	-6.0
IS	:	:	:	-
N	61	58	54 <sup>4</sup>	-11.5
<b>EEA <sup>1</sup></b>	<b>2 715</b>	<b>2 626</b>	<b>2 487</b>	<b>-7.4</b>
CH	285	272	270	-5.3

(1) For available data only.

(3) Including UK banks and EEA branches in the UK.

(2) Change (%) 97-98.

(4) Including the Postal bank.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 4.2: Number of co-operative enterprises, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>4 580</b>	<b>4 471</b>	<b>3 767</b>	<b>-12.1</b>
<b>EUR-11 <sup>1</sup></b>	<b>4 547</b>	<b>4 432</b>	<b>3 727</b>	<b>-12.3</b>
B	23	18	14	-39.1
DK	26	25	25	-3.8
D	2 390	2 348	2 018	-15.6
EL	7	12	13	85.7
E	97	97	94	-3.1
F	170	165	161	-5.3
IRL	:	:	:	-
I	654	619	580	-11.3
L	2	2	2	0.0
NL	2	2	2	0.0
A	749	729	708	-5.5
P	165	160	148	-10.3
FIN	295	292	:	-1.0 <sup>2</sup>
S	0	2	2	0.0 <sup>3</sup>
UK	0	0	0	-
IS	:	:	:	-
N	0	3	3	0.0 <sup>3</sup>
<b>EEA <sup>1</sup></b>	<b>4 580</b>	<b>4 474</b>	<b>3 770</b>	<b>-12.1</b>
CH	39	37	36	-7.7

(1) For available data only.

(2) Change (%) 97-98.

(3) Change (%) 98-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 4.3: Number of savings banks (1997-1998) / public-law enterprises (from 1999),**

	1997	1998	[[	1999
<b>EU-15<sup>1</sup></b>	<b>950</b>	<b>942</b>		<b>877</b>
<b>EUR-11<sup>1</sup></b>	<b>757</b>	<b>754</b>		<b>692</b>
B	1	1		1
DK	106	103		101 <sup>2</sup>
D	598	595		578
EL	0	0		0
E <sup>7</sup>	1	1		1
F	34	34		34
IRL	:	:		:
I	0	0		0
L	0	2		2
NL	26	24		24
A	51	51		46
P	6	6		6
FIN	40	40		:
S	87	85 <sup>2</sup>		84 <sup>2</sup>
UK	0	0		0
IS	:	:		:
N	133	140 <sup>3</sup>		136 <sup>4</sup>
<b>EEA<sup>1</sup></b>	<b>1 083</b>	<b>1 082</b>		<b>1 013</b>
CH	0 <sup>5</sup>	31 <sup>6</sup>		29

(1) For available data only.

(2) Including only savings banks.

(3) Including only savings banks and the Postal bank for the enterprises classified under Nace Rev.1 class 65.12. Including only State lending institutions for enterprises classified under Nace Rev.1 class 65.22.

(4) Including only savings banks for the enterprises classified under Nace Rev.1 class 65.12. Including only State lending institutions for enterprises classified under Nace Rev.1 class 65.22.

(5) Savings Bank is not a legal status in Switzerland. Most banks collect savings deposits from their customers. Legally savings banks can be incorporated enterprises limited by shares, cooperative enterprises,

(6) Due to the revision of the breakdown of enterprises by legal status, there were enterprises, which are now considered under Public-law enterprises since indeed under the term Savings Banks, as this legal status was named before, no institutions could be identified, as Savings Banks is not a legal status in Switzerland.

(7) Figures for 1997 and 1998 also refer to public law enterprises.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 4.4: Number of branches of non-EEA enterprises, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>394</b>	<b>379</b>	<b>363</b>	<b>-7.6</b>
<b>EUR-11<sup>1</sup></b>	<b>236</b>	<b>230</b>	<b>227</b>	<b>-3.4</b>
B	15	14	14	-6.7
DK	0	0	0	-
D	30	31	30	0.0
EL	9	9	9	0.0
E <sup>2</sup>	54	53	53	-1.9
F	97	93	93	-4.1
IRL	:	:	:	-
I	17	15	14	-17.6
L	7	7	8	14.3
NL	11	11	11	0.0
A	2	2	1	-50.0
P	2	3	3	50.0
FIN	1	1	:	0.0 <sup>3</sup>
S	0	0	0	-
UK	149	140	127	-14.8
IS	:	:	:	-
N	0	0	0	-
<b>EEA<sup>1</sup></b>	<b>394</b>	<b>379</b>	<b>363</b>	<b>-7.6</b>
CH	18	21	21 <sup>4</sup>	16.7

(1) For available data only.

(2) Including EEA branches.

(3) Change (%) 97-98.

(4) Including 16 EEA branches.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 4.5: Number of enterprises with another legal status, 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>548</b>	<b>428</b>	<b>529</b>	<b>-3.3</b>
<b>EUR-11<sup>1</sup></b>	<b>458</b>	<b>335</b>	<b>441</b>	<b>-3.5</b>
B	0	0	0	-
DK	0	0	0	-
D	263	130	251	-4.6
EL	0	0	0	-
E	51	51	50	-2.0
F	37	45	49	32.4
IRL	:	:	:	-
I	4	4	4	0.0
L	61	61	60	-1.6
NL	2	2	2	0.0
A	24	26	8	-66.7
P <sup>2</sup>	15	15	17	13.3
FIN	1	1	:	0.0 <sup>3</sup>
S	20	22	20	0.0
UK	70	71	68	-2.9
IS	:	:	:	-
N	23 <sup>4</sup>	19 <sup>5</sup>	23 <sup>5</sup>	0.0
<b>EEA<sup>1</sup></b>	<b>571</b>	<b>447</b>	<b>552</b>	<b>-3.2</b>
CH	57	20	21	-63.2

(1) For available data only.

(2) Branches of EEA enterprises.

(3) Change (%) 97-98.

(4) Including 7 foreign branches in Norway and the Postal Bank for the enterprises classified under the Nace Rev.1 class 65.12. Including 12 foreign branches in Norway and 6 state lending institutions for the enterprises classified under the Nace Rev.1 65.22.

(5) Including foreign branches in Norway.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 4.6: Breakdown by legal status in % of total number of enterprises, 1999

	Incorporated enterprises limited by shares	Cooperative enterprises	Public-law enterprises	Branches of non-EEA enterprises	Others
<b>EU-15<sup>1</sup></b>	<b>30.5</b>	<b>47.3</b>	<b>11.0</b>	<b>4.6</b>	<b>6.6</b>
<b>EUR-11<sup>1</sup></b>	<b>27.6</b>	<b>53.1</b>	<b>9.8</b>	<b>3.2</b>	<b>6.3</b>
B	67.4	15.7	1.1	15.7	0.0
DK	37.3	12.4	50.2 <sup>2</sup>	0.0	0.0
D	5.8	66.1	18.9	1.0	8.2
EL	46.3	31.7	0.0	22.0	0.0
E	48.8	24.3	0.3	13.7 <sup>3</sup>	12.9
F	70.6	14.0	3.0	8.1	4.3
IRL	:	:	:	:	:
I	31.7	66.2	0.0	1.6	0.5
L	65.7	1.0	1.0	3.8	28.6
NL	76.9	1.2	14.2	6.5	1.2
A	12.3	81.4	5.3	0.1	0.9
P	20.5	67.6	2.7	1.4	7.8 <sup>4</sup>
FIN	:	:	:	:	:
S	50.0	0.9	39.6 <sup>2</sup>	0.0	9.4
UK	60.4 <sup>5</sup>	0.0	0.0	25.8	13.8
IS	:	:	:	:	:
N	25.0 <sup>6</sup>	1.4	63.0 <sup>7</sup>	0.0	10.6 <sup>8</sup>
<b>EEA<sup>1</sup></b>	<b>30.9</b>	<b>46.8</b>	<b>10.9</b>	<b>4.5</b>	<b>6.9</b>
CH	71.6	9.5	7.7	5.6 <sup>9</sup>	5.6

(1) For available data only.

(2) Including only savings banks.

(3) Including EEA branches.

(4) Branches of EEA enterprises.

(5) Including UK banks and EEA branches in the UK.

(6) Including the Postal bank.

(7) Including only savings banks for the enterprises classified under Nace Rev.1 class 65.12. Including only State lending institutions for enterprises classified under Nace Rev.1 class 65.22.

(8) Including foreign branches in Norway.

(9) Including 16 EEA branches.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## BREAKDOWN OF THE BALANCE SHEET TOTAL BY SIZE CLASSES

**Table 5.1: Number of enterprises having a balance sheet total < 100 Mio ECU (97-98) / euro (99), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>3 819</b>	<b>3 479</b>	<b>2 774</b>	<b>-21.3</b>
<b>EUR-11 <sup>1</sup></b>	<b>3 494</b>	<b>3 147</b>	<b>2 466</b>	<b>-22.9</b>
B	19	15	15	-21.1
DK	126	122	122	-3.2
D	1 254	1 094	885	-29.4
EL	8	14	14	75.0
E	157	149	134	-14.6
F	476	450	386	-18.9
IRL	:	:	:	-
I	455	353	324	-28.8
L	28	29	29	3.6
NL	:	:	:	-
A	636	601	541	-14.9
P	173	165	152	-12.1
FIN	296	291	:	-1.7 <sup>2</sup>
S	109	112	109	0.0
UK	82	84	63	-23.2
IS	:	:	:	-
N	119	116	102	-14.3
<b>EEA <sup>1</sup></b>	<b>3 938</b>	<b>3 595</b>	<b>2 876</b>	<b>-21.0</b>
CH	134	134	134	-17.2

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.2: Number of enterprises having a balance sheet total between 100 Mio and 999 Mio ECU (97-98) / euro (99), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15 <sup>1</sup></b>	<b>3 554</b>	<b>3 511</b>	<b>3 346</b>	<b>-4.2</b>
<b>EUR-11 <sup>1</sup></b>	<b>3 187</b>	<b>3 185</b>	<b>3 029</b>	<b>-3.1</b>
B	48	44	39	-18.8
DK	60	61	59	-1.7
D	1 713	1 675	1 619	-5.5
EL	16	14	11	-31.3
E	140	140	132	-5.7
F	482	470	457	-5.2
IRL	:	:	:	-
I	338	390	369	9.2
L	100	97	96	-4.0
NL	:	:	:	-
A	276	280	283	2.5
P	29	30	34	17.2
FIN	61	59	:	-3.3 <sup>2</sup>
S	71	66	69	-2.8
UK	220	185	178	-19.1
IS	:	:	:	-
N	69	75	84	21.7
<b>EEA <sup>1</sup></b>	<b>3 623</b>	<b>3 586</b>	<b>3 430</b>	<b>-3.7</b>
CH	191	185	188	-1.6

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.3: Number of enterprises having a balance sheet total between 1 000 Mio and 9 999 Mio ECU (97-98) / euro (99), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>1 307</b>	<b>1 345</b>	<b>1 372</b>	<b>5.5</b>
<b>EUR-11<sup>1</sup></b>	<b>1 102</b>	<b>1 125</b>	<b>1 157</b>	<b>5.7</b>
B	31	28	28	-9.7
DK	12	10	10	-16.7
D	433	457	481	11.1
EL	11	12	12	9.1
E	101	97	103	2.0
F	279	259	266	-4.7
IRL	:	:	:	-
I	117	144	145	23.9
L	74	71	70	-5.4
NL	:	:	:	-
A	35	36	38	8.6
P	25	24	26	4.0
FIN	7	9	:	28.6 <sup>2</sup>
S	18	20	23	27.8
UK	164	178	170	3.7
IS	:	:	:	-
N	24	25	26	8.3
<b>EEA<sup>1</sup></b>	<b>1 331</b>	<b>1 370</b>	<b>1 398</b>	<b>5.6</b>
CH	62	62	62	0.0

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.4: Number of enterprises having a balance sheet total between 10 000 Mio and 99 999 Mio ECU (97-98) / euro (99), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>254</b>	<b>265</b>	<b>277</b>	<b>9.9</b>
<b>EUR-11<sup>1</sup></b>	<b>170</b>	<b>173</b>	<b>181</b>	<b>7.7</b>
B	10	6	5	-50.0
DK	6	8	10	66.7
D	63	61	60	-4.8
EL	4	3	4	0.0
E	18	18	17	-5.6
F	27	26	33	22.2
IRL	:	:	:	-
I	25	33	37	48.0
L	13	12	15	15.4
NL	:	:	:	-
A	7	8	7	0.0
P	5	7	7	40.0
FIN	2	2	:	0.0 <sup>2</sup>
S	12	12	11	-8.3
UK	62	69	71	14.5
IS	:	:	:	-
N	4	4	4	0.0
<b>EEA<sup>1</sup></b>	<b>258</b>	<b>269</b>	<b>281</b>	<b>9.8</b>
CH	9	10	14	55.6

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



**Table 5.5: Number of enterprises having a balance sheet total > 99 999 Mio ECU (97-98) / euro (99), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>22</b>	<b>26</b>	<b>31</b>	<b>40.9</b>
<b>EUR-11<sup>1</sup></b>	<b>15</b>	<b>17</b>	<b>21</b>	<b>40.0</b>
B	1	2	2	100.0
DK	0	0	0	-
D	8	8	10	25.0
EL	0	0	0	-
E	0	0	1	-
F	6	6	6	0.0
IRL	:	:	:	-
I	0	1	1	0.0 <sup>2</sup>
L	0	0	0	-
NL	:	:	:	-
A	0	0	1	-
P	0	0	0	-
FIN	0	0	:	-
S	0	0	0	-
UK	7	9	10	42.9
IS	:	:	:	-
N	0	0	0	-
<b>EEA<sup>1</sup></b>	<b>22</b>	<b>26</b>	<b>31</b>	<b>40.9</b>
CH	3	2	2	-33.3

(1) For available data only.

(2) Change (%) 98-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.6: Breakdown by size classes of the balance sheet total in % of the total number of enterprises, 1999**

	Mio euro				
	< 100	100-999	1 000-9 999	10 000-99 999	> 99 999
<b>EU-15<sup>1</sup></b>	<b>35.6</b>	<b>42.9</b>	<b>17.6</b>	<b>3.6</b>	<b>0.4</b>
<b>EUR-11<sup>1</sup></b>	<b>36.0</b>	<b>44.2</b>	<b>16.9</b>	<b>2.6</b>	<b>0.3</b>
B	16.9	43.8	31.5	5.6	2.2
DK	60.7	29.4	5.0	5.0	0.0
D	29.0	53.0	15.7	2.0	0.3
EL	34.1	26.8	29.3	9.8	0.0
E	34.6	34.1	26.6	4.4	0.3
F	33.6	39.8	23.2	2.9	0.5
IRL	:	:	:	:	:
I	37.0	42.1	16.6	4.2	0.1
L	13.8	45.7	33.3	7.1	0.0
NL	:	:	:	:	:
A	62.2	32.5	4.4	0.8	0.1
P	69.4	15.5	11.9	3.2	0.0
FIN	:	:	:	:	:
S	51.4	32.5	10.8	5.2	0.0
UK	12.8	36.2	34.6	14.4	2.0
IS	:	:	:	:	:
N	47.2	38.9	12.0	1.9	0.0
<b>EEA<sup>1</sup></b>	<b>35.9</b>	<b>42.8</b>	<b>17.4</b>	<b>3.5</b>	<b>0.4</b>
CH	29.4	49.9	16.4	3.7	0.5

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## LOCAL UNITS

Table 6.1: Number of local units, 1994-1999

	1994	1995	1996	1997	1998	1999	Change (%) 94-99	Annual average change (%)
<b>EU-15<sup>1</sup></b>	<b>189 688</b>	<b>208 910</b>	<b>208 460</b>	<b>206 692</b>	<b>202 920</b>	<b>200 406</b>	<b>4.1</b>	<b>0.8</b>
<b>EUR-11<sup>1</sup></b>	<b>165 166</b>	<b>185 085</b>	<b>185 450</b>	<b>183 440</b>	<b>180 264</b>	<b>178 016</b>	<b>6.9</b>	<b>1.4</b>
B	6 689	6 543	6 424 <sup>2</sup>	6 123 <sup>2</sup>	5 490 <sup>2</sup>	5 727 <sup>2</sup>	-14.4	-3.1
DK	2 245	2 215	2 203	2 178	2 185	2 333	3.9	0.8
D	52 443 <sup>]]</sup>	71 564	70 187	66 642	63 208	61 587	-13.9 <sup>3</sup>	-3.7 <sup>3</sup>
EL	1 610	1 900	1 985	2 208	2 401	2 447	52.0	8.7
E	36 165	36 790	37 485	38 039	39 039	39 376	8.9	1.7
F	25 675	26 196	25 936	25 990	26 606	26 159	1.9	0.4
IRL	1 327	1 300	1 517	943	:	:	-28.9 <sup>4</sup>	-10.8 <sup>4</sup>
I	23 120	23 440	24 406	25 245	26 260	27 145	17.4	3.3
L	630	611	605	564 <sup>]]</sup>	289	310	7.3 <sup>5</sup>	7.3 <sup>5</sup>
NL	7 269	6 729	6 822	7 161	6 854	6 830	-6.0	-1.2
A	5 736	5 727	5 713	5 644	5 498	5 391	-6.0	-1.2
P	3 924	4 307	4 580	4 862	5 056	5 491	39.9	4.9
FIN	2 188 <sup>6</sup>	1 878 <sup>6</sup>	1 775 <sup>6</sup>	2 227	1 964	:	-11.8 <sup>7</sup>	-11.8 <sup>7</sup>
S <sup>8</sup>	2 690 <sup>6</sup>	2 601 <sup>6</sup>	2 530 <sup>6</sup>	2 522 <sup>6</sup>	2 197 <sup>6</sup>	2 140 <sup>6</sup>	-20.4	-4.5
UK	17 977	17 109	16 292	16 344	15 873	15 470	-13.9	-3.0
IS	112 <sup>6</sup>	113 <sup>6</sup>	:	:	:	:	0.9 <sup>9</sup>	0.9 <sup>9</sup>
N	1 610 <sup>6</sup>	1 593 <sup>6</sup>	1 718	1 842	1 805	1 789	4.1 <sup>10</sup>	1.4 <sup>10</sup>
<b>EEA<sup>1</sup></b>	<b>191 410</b>	<b>210 616</b>	<b>210 178</b>	<b>208 534</b>	<b>204 725</b>	<b>202 195</b>	<b>4.1</b>	<b>0.8</b>
CH	3 854	3 776	3 650	3 444	3 204	2 978	-22.7	-5.0

(1) For available data only.

(2) Including local units of Belgian credit institutions and non-EU branches established in Belgium as well as local units of Belgian credit institutions established abroad.

(3) Change (%) 95-99.

(4) Change (%) 94-97.

(5) Change (%) 98-99.

(6) Nace Rev.1 class 65.22 not available.

(7) Change (%) 97-98.

(8) Local units refer only to licensed banks.

(9) Change (%) 94-95.

(10) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 6.2: Number of local units per credit institution, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>19</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>25</b>	<b>23.0</b>
<b>EUR-11<sup>1</sup></b>	<b>19</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>28.9</b>
B	55	55	55	56	58	64	17.4
DK	11	11	11	11	11	12	7.5
D	14 ]]	20	20	19	19	20	2.8 <sup>2</sup>
EL	41	49	48	57	56	60	44.6
E	71	73	82	91	97	102	43.5
F	18	21	21	20	22	23	24.6
IRL	34	27	31	18	-	-	-47.7 <sup>3</sup>
I	23	24	26	27	29	31	34.3
L	3	3	3	3 ]]	1	1	6.8 <sup>4</sup>
NL	42	39	40	42	42	40	-3.8
A	6	6	6	6	6	6	10.0
P	13	15	17	21	22	25	93.0
FIN	6	5	5	6	5	-	-10.6 <sup>5</sup>
S <sup>6</sup>	24	22	20	20	17	17	-28.8
UK	32	31	29	31	30	31	-0.8
IS	1	1	-	-	-	-	0.0 <sup>7</sup>
N	10	10	8	8	8	8	4.1 <sup>8</sup>
<b>EEA<sup>1</sup></b>	<b>19</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>23.0</b>
CH	9	9	9	9	8	8	-12.3

(1) For available data only.

(3) Change (%) 94-97.

(5) Change (%) 97-98.

(7) Change (%) 94-95.

(2) Change (%) 95-99.

(4) Change (%) 98-99.

(6) Only refers to licensed banks.

(8) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 6.3: Number of local units for 1 000 000 inhabitants<sup>1</sup>, 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>2</sup></b>	<b>512</b>	<b>562</b>	<b>559</b>	<b>553</b>	<b>547</b>	<b>547</b>	<b>2.6</b>
<b>EUR-11<sup>2</sup></b>	<b>574</b>	<b>641</b>	<b>641</b>	<b>632</b>	<b>628</b>	<b>630</b>	<b>5.5</b>
B	662	646	633	602	539	561	-15.3
DK	432	425	420	413	413	439	1.6
D	645 ]]	878	858	813	770	751	-14.5 <sup>3</sup>
EL	155	182	190	211	228	233	50.4
E	924	939	955	968	992	1 000	8.1
F	444	451	445	444	453	444	-0.2
IRL	370	361	419	258	-	-	-30.3 <sup>4</sup>
I	405	409	426	439	456	471	16.4
L	1 571	1 503	1 466	1 348 ]]	682	722	5.9 <sup>5</sup>
NL	474	436	440	460	438	433	-8.5
A	716	712	709	700	681	667	-6.8
P	397	435	462	489	508	550	38.7
FIN	431	368	347	434	382	-	-12.1 <sup>6</sup>
S	308	295	286	285	248	242	-21.4
UK	308	292	278	277	269	261	-15.4
IS	423	423	-	-	-	-	0.2 <sup>7</sup>
N	372	366	393	419	409	402	2.4 <sup>8</sup>
<b>EEA<sup>2</sup></b>	<b>510</b>	<b>560</b>	<b>557</b>	<b>552</b>	<b>545</b>	<b>545</b>	<b>2.6</b>
CH	553	538	517	486	451	418	-24.4

(1) Source: Eurostat/Demography/Population.

(3) Change (%) 95-99.

(5) Change (%) 98-99.

(7) Change (%) 94-95.

(2) For available data only.

(4) Change (%) 94-97.

(6) Change (%) 97-98.

(8) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## AUTOMATIC TELLER MACHINES

**Table 7.1: Number of Automatic Teller Machines (ATMs) owned by credit institutions, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>169 238</b>	<b>185 115</b>	<b>195 588</b>	<b>16.5</b>
<b>EUR-11<sup>1</sup></b>	<b>140 249</b>	<b>152 255</b>	<b>160 459</b>	<b>17.4</b>
B	4 991	5 734	6 323	26.7
DK	2 387	2 549	2 641	10.6
D	41 397	45 615	46 200	11.6
EL	2 171	2 168	2 977	37.1
E	34 465	37 599	41 129	19.3
F	15 399	16 715	18 416	19.6
IRL	926	:	:	-
I	25 361	27 794	30 298	19.5
L	:	:	:	-
NL	6 397	6 568	6 673	4.3
A	2 337	2 424	2 570	10.0
P	6 280	7 081	8 850	40.9
FIN	2 696 <sup>2</sup>	2 725 <sup>2</sup>	:	1.1 <sup>3</sup>
S	:	2 485 <sup>4</sup>	2 577 <sup>4</sup>	3.7 <sup>5</sup>
UK	24 431	25 658	26 934	10.2
IS	:	:	:	-
N	:	:	:	-
<b>EEA<sup>1</sup></b>	<b>169 238</b>	<b>185 115</b>	<b>195 588</b>	<b>16.5</b>
CH	4 809	5 141 <sup>6</sup>	5 281 <sup>6</sup>	9.8

(1) For available data only.

(2) In 1998 in Finland not all ATMs were owned by credit institutions. Many cash dispensers were owned by 'Automatia Oy', in turn owned by banks. The number of Automatia's machines was 2 071.

(Source: Automatia Oy and The Finnish Bankers' Association)

(3) Change (%) 97-98.

(4) Number of ATMs refers only to licensed banks.

(5) Change (%) 98-99.

(6) Including cash dispensers and ATMs of the Bancomat and Postomat systems.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 7.2: Number of Automatic Teller Machines (ATMs) per credit institution, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>19</b>	<b>22</b>	<b>25</b>	<b>28.7</b>
<b>EUR-11<sup>1</sup></b>	<b>18</b>	<b>20</b>	<b>24</b>	<b>30.3</b>
B	46	60	71	55.2
DK	12	13	13	12.3
D	12	14	15	26.8
EL	56	50	73	30.4
E	83	93	106	28.3
F	12	14	16	32.3
IRL	17	-	-	-
I	27	30	35	27.5
L	-	-	-	-
NL	38	41	39	4.3
A	2	3	3	20.6
P	27	31	40	49.3
FIN	7	8	-	2.5 <sup>2</sup>
S	-	20	21	5.4 <sup>3</sup>
UK	46	49	55	19.9
IS	-	-	-	-
N	-	-	-	-
<b>EEA<sup>1</sup></b>	<b>19</b>	<b>22</b>	<b>25</b>	<b>28.7</b>
CH	12	13	14	16.2

(1) For available data only.

(2) Change (%) 97-98.

(3) Change (%) 98-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 7.3: Number of Automatic Teller Machines (ATMs) for 1 000 000 inhabitants<sup>1</sup>, 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>2</sup></b>	<b>464</b>	<b>500</b>	<b>534</b>	<b>16.1</b>
<b>EUR-11<sup>2</sup></b>	<b>484</b>	<b>531</b>	<b>569</b>	<b>17.0</b>
B	491	563	619	26.1
DK	453	481	497	9.8
D	505	556	563	11.6
EL	207	206	283	36.7
E	877	956	1 044	19.0
F	263	285	312	18.6
IRL	254	-	-	-
I	441	483	526	19.2
L	-	-	-	-
NL	411	420	423	3.0
A	290	300	318	9.8
P	632	711	887	40.3
FIN	525	529	-	0.8 <sup>3</sup>
S	-	281	291	3.6 <sup>4</sup>
UK	415	434	454	9.5
IS	-	-	-	-
N	-	-	-	-
<b>EEA<sup>2</sup></b>	<b>464</b>	<b>500</b>	<b>534</b>	<b>16.1</b>
CH	679	724	741	9.2

(1) Source: Eurostat/Population and Social conditions/Demography/Population.

(3) Change (%) 97-98.

(2) For available data only.

(4) Change (%) 98-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## INTERNATIONALISATION

Table 8.1: Geographical breakdown of the EEA branches active in the host country, 1997

home country	EU-15	EUR-11	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	N	EEA	CH	
<b>EU-15<sup>1</sup></b>	<b>506</b>	<b>390</b>	<b>24</b>	<b>9</b>	<b>84</b>	<b>7</b>	<b>40</b>	<b>80</b>	<b>10</b>	<b>50</b>	<b>38</b>	<b>33</b>	<b>13</b>	<b>14</b>	<b>4</b>	<b>19</b>	<b>81</b>	<b>0</b>	<b>8</b>	<b>514</b>	<b>15</b>	
<b>EUR-11<sup>1</sup></b>	<b>364</b>	<b>280</b>	<b>19</b>	<b>4</b>	<b>62</b>	<b>3</b>	<b>31</b>	<b>57</b>	<b>1</b>	<b>34</b>	<b>35</b>	<b>22</b>	<b>9</b>	<b>10</b>	<b>0</b>	<b>9</b>	<b>68</b>	<b>0</b>	<b>2</b>	<b>366</b>	<b>6</b>	
B	25	23	-	0	6	0	3	8	0	2	0	4	0	0	0	0	2	0	0	25	0	
DK	11	2	0	-	1	0	0	0	0	0	0	1	0	0	0	7	2	0	2	13	0	
D	118	88	8	2	-	2	9	14	1	10	34	5	7	0	0	1	25	0	2	120	1	
EL	14	9	0	0	2	-	0	4	0	1	0	2	0	0	0	0	5	0	0	14	0	
E	34	28	2	0	4	0	-	10	0	6	0	3	0	3	0	0	6	0	0	34	2	
F	52	36	4	0	8	0	10	-	0	5	1	3	:	5	0	1	15	:	0	52	:	
IRL	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:
I	34	27	2	0	6	0	3	9	0	-	0	5	2	0	0	0	7	0	0	34	0	
L	62	55	1	0	36	0	0	7	0	9	-	0	0	2	0	2	5	0	0	62	2	
NL	9	5	1	0	0	1	0	3	0	1	0	-	0	0	0	0	3	0	0	9	1	
A	6	4	0	0	2	0	0	0	0	1	0	1	-	0	0	0	2	0	0	6	0	
P	15	13	1	0	0	0	6	5	0	0	0	1	0	-	0	0	2	0	0	15	0	
FIN	9	1	0	2	0	0	0	1	0	0	0	0	0	0	-	5	1	0	0	9	0	
S	14	6	0	2	0	0	0	2	0	0	1	1	0	0	2	-	6	0	2	16	1	
UK	103	93	5	3	19	4	9	17	9	15	2	7	4	4	2	3	-	0	2	105	8	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:
N	17	5	0	2	2	0	0	1	0	0	0	2	0	0	0	8	2	0	-	17	0	
<b>EEA<sup>1</sup></b>	<b>523</b>	<b>395</b>	<b>24</b>	<b>11</b>	<b>86</b>	<b>7</b>	<b>40</b>	<b>81</b>	<b>10</b>	<b>50</b>	<b>38</b>	<b>35</b>	<b>13</b>	<b>14</b>	<b>4</b>	<b>27</b>	<b>83</b>	<b>0</b>	<b>8</b>	<b>531</b>	<b>15</b>	
CH <sup>2</sup>	12	7	0	0	0	0	0	3	0	0	1	1	1	1	0	0	5	0	0	12	-	

(1) For available data only.

(2) Branches (in Switzerland) of foreign banks.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 8.2: Geographical breakdown of the EEA branches active in the host country, 1998

home country	EU-15	EUR-11	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	N	EEA	CH	
<b>EU-15<sup>1</sup></b>	<b>563</b>	<b>430</b>	<b>28</b>	<b>11</b>	<b>97</b>	<b>11</b>	<b>39</b>	<b>84</b>	<b>14</b>	<b>54</b>	<b>44</b>	<b>36</b>	<b>16</b>	<b>14</b>	<b>4</b>	<b>23</b>	<b>88</b>	<b>0</b>	<b>10</b>	<b>573</b>	<b>14</b>	
<b>EUR-11<sup>1</sup></b>	<b>415</b>	<b>317</b>	<b>23</b>	<b>6</b>	<b>72</b>	<b>7</b>	<b>30</b>	<b>62</b>	<b>4</b>	<b>38</b>	<b>41</b>	<b>25</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>10</b>	<b>75</b>	<b>0</b>	<b>3</b>	<b>418</b>	<b>5</b>	
B	25	23	-	0	6	0	2	8	0	1	0	6	0	0	0	0	2	0	0	25	0	
DK	15	3	0	-	2	0	0	0	0	0	0	1	0	0	0	10	2	0	3	18	0	
D	123	92	8	2	-	2	9	17	1	10	34	5	8	0	0	1	26	0	2	125	1	
EL	14	9	0	0	2	-	0	4	0	1	0	2	0	0	0	0	5	0	0	14	0	
E	34	26	2	1	4	0	-	10	0	5	0	3	0	2	0	0	7	0	0	34	0	
F	91	64	8	1	13	4	10	-	3	12	7	3	1	6	1	2	20	:	1	92	:	
IRL	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:
I	39	32	2	0	10	0	3	10	0	-	0	5	2	0	0	0	7	0	0	39	0	
L	59	52	1	0	34	0	0	7	0	8	-	0	0	2	0	2	5	0	0	59	3	
NL	10	6	1	0	1	1	0	3	0	1	0	-	0	0	0	0	3	0	0	10	1	
A	10	8	0	0	4	0	0	1	0	1	0	2	-	0	0	0	2	0	0	10	0	
P	15	13	1	0	0	0	6	5	0	0	0	1	0	-	0	0	2	0	0	15	0	
FIN	9	1	0	2	0	0	0	1	0	0	0	0	0	0	-	5	1	0	0	9	0	
S	15	7	0	2	2	0	0	2	0	0	1	1	0	0	1	-	6	0	2	17	2	
UK	104	94	5	3	19	4	9	16	10	15	2	7	5	4	2	3	-	0	2	106	7	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:	:
N	19	5	:	2	2	:	:	1	:	:	:	2	:	:	:	10	2	0	-	19	:	
<b>EEA<sup>1</sup></b>	<b>582</b>	<b>435</b>	<b>28</b>	<b>13</b>	<b>99</b>	<b>11</b>	<b>39</b>	<b>85</b>	<b>14</b>	<b>54</b>	<b>44</b>	<b>38</b>	<b>16</b>	<b>14</b>	<b>4</b>	<b>33</b>	<b>90</b>	<b>0</b>	<b>10</b>	<b>592</b>	<b>14</b>	
CH <sup>2</sup>	15	9	0	0	1	0	0	3	0	0	2	1	1	1	0	0	6	0	0	15	-	

(1) For available data only.

(2) Branches (in Switzerland) of foreign banks.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 8.3: Geographical breakdown of the EEA branches active in the host country, 1999

home country	host country																				
	EU-15 <sup>1</sup>	EUR-11 <sup>1</sup>	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	IS	N	EEA	CH
EU-15 <sup>1</sup>	577	451	27	8	102	10	39	87	14	59	44	43	15	17	4	22	86	0	9	586	4
EUR-11 <sup>1</sup>	431	341	22	3	77	6	32	67	4	41	41	32	11	13	1	6	75	0	3	434	3
B	30	26	-	0	7	0	2	8	0	1	0	8	0	0	0	0	4	0	0	30	0
DK	18	3	0	-	2	0	0	0	0	0	0	1	0	0	0	13	2	0	2	20	0
D	138	104	8	2	-	2	9	21	1	13	34	8	9	1	0	3	27	0	2	140	1
EL	13	9	0	0	2	-	0	4	0	1	0	2	0	0	0	0	4	0	0	13	0
E	41	33	2	1	6	0	-	13	0	5	0	4	0	3	0	0	7	0	0	41	0
F	92	69	7	:	16	4	12	-	3	12	7	3	1	7	1	1	18	:	1	93	:
IRL	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	:	:	:	:	:
I	41	32	2	0	9	0	3	12	0	-	0	5	1	0	0	0	9	0	0	41	0
L	60	52	1	0	33	0	0	7	0	9	-	0	0	2	0	2	6	0	0	60	2
NL	0	0	:	:	:	:	:	:	:	:	-	:	:	:	:	:	:	:	:	0	:
A	12	10	0	0	5	0	0	1	0	1	0	3	-	0	0	0	2	0	0	12	0
P	17	15	2	0	1	0	6	5	0	0	0	1	0	-	0	0	2	0	:	17	0
FIN	0	0	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	0	:	0	:
S	14	7	0	2	2	0	0	2	0	0	1	1	0	0	1	-	5	0	2	16	1
UK	101	91	5	3	19	4	7	14	10	17	2	7	4	4	2	3	-	0	2	103	0
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-	:	:	:
N	23	6	:	2	2	:	:	1	:	:	:	3	:	:	:	12	3	:	-	23	:
EEA <sup>1</sup>	600	457	27	10	104	10	39	88	14	59	44	46	15	17	4	34	89	0	9	609	4
CH <sup>2</sup>	15	10	0	0	1	0	0	2	0	0	3	2	1	1	0	0	5	0	0	15	-

(1) For available data only.

(2) Branches (in Switzerland) of foreign banks.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 9.1: Number of branches located in non-EEA partner countries, 1997-1999

	Total non-EEA countries			Switzerland			Japan			USA			Other non-EEA countries		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
EU-15 <sup>1</sup>	697	707	693	9	9	8	26	27	22	74	75	68	588	596	595
EUR-11 <sup>1</sup>	248	262	249	6	6	5	19	18	13	54	53	47	169	185	184
B	25	26	27	0	0	0	0	0	0	4	4	4	21	22	23
DK	6	5	5	0	0	0	0	0	0	2	2	2	4	3	3
D	92	106	110	2	2	0	12	12	9	13	13	11	65	79	90
EL	9	9	8	0	0	0	0	0	0	1	1	0	8	8	8
E	35	35	31	0	0	0	3	2	1	15	14	12	17	19	18
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IRL	:	:	:	:	:	:	0	:	:	:	:	:	:	:	:
I	50	51	49	0	0	0	3	3	3	16	16	15	31	32	31
L	10	10	6	3	3	4	0	0	0	0	0	0	7	7	2
NL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
A	2	2	1	0	0	0	1	1	0	1	1	1	0	0	0
P	28	27	25	1	1	1	0	0	0	3	3	4	24	23	20
FIN	6	5	:	0	0	:	0	0	:	2	2	:	4	3	:
S	13	10	10	0	0	0	1	1	1	3	3	3	9	6	6
UK	421	421	421	3	3	3	6	8	8	14	16	16	398	394	394
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
N	6	6	6	0	0	0	0	0	0	2	2	2	4	4	4
EEA <sup>1</sup>	703	713	699	9	9	8	26	27	22	76	77	70	592	600	599
CH	104	93	99	0	0	0	3	2	2	12	10	10	89	81	87

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 9.2: Breakdown of the number of branches in non-EEA partner countries in % of total number of branches located in non-EEA countries, 1999**

	Switzerland	Japan	USA	Other non-EEA countries
<b>EU-15<sup>1</sup></b>	<b>1.2</b>	<b>3.2</b>	<b>9.8</b>	<b>85.9</b>
<b>EUR-11<sup>1</sup></b>	<b>2.0</b>	<b>5.2</b>	<b>18.9</b>	<b>73.9</b>
B	0.0	0.0	14.8	85.2
DK	0.0	0.0	40.0	60.0
D	0.0	8.2	10.0	81.8
EL	0.0	0.0	0.0	100.0
E	0.0	3.2	38.7	58.1
F	-	-	-	-
IRL	-	-	-	-
I	0.0	6.1	30.6	63.3
L	66.7	0.0	0.0	33.3
NL	-	-	-	-
A	0.0	0.0	100.0	0.0
P	4.0	0.0	16.0	80.0
FIN	-	-	-	-
S	0.0	10.0	30.0	60.0
UK	0.7	1.9	3.8	93.6
IS	-	-	-	-
N	0.0	0.0	33.3	66.7
<b>EEA<sup>1</sup></b>	<b>1.1</b>	<b>3.1</b>	<b>10.0</b>	<b>85.7</b>
CH	0.0	2.0	10.1	87.9

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 9.3: Breakdown of branches depending on the location (inside or outside the EEA), 1997-1999**

	1997				1998				1999			
	outside EEA	inside EEA	outside EEA (%)	inside EEA (%)	outside EEA	inside EEA	outside EEA (%)	inside EEA (%)	outside EEA	inside EEA	outside EEA (%)	inside EEA (%)
<b>EU-15<sup>1</sup></b>	<b>697</b>	<b>523</b>	<b>63.7</b>	<b>36.3</b>	<b>707</b>	<b>582</b>	<b>61.4</b>	<b>38.6</b>	<b>693</b>	<b>600</b>	<b>60.7</b>	<b>39.3</b>
<b>EUR-11<sup>1</sup></b>	<b>248</b>	<b>395</b>	<b>48.0</b>	<b>52.0</b>	<b>262</b>	<b>435</b>	<b>46.8</b>	<b>53.2</b>	<b>249</b>	<b>457</b>	<b>44.9</b>	<b>55.1</b>
B	25	24	51.0	49.0	26	28	48.1	51.9	27	27	50.0	50.0
DK	6	11	35.3	64.7	5	13	27.8	72.2	5	10	33.3	66.7
D	92	86	51.7	48.3	106	99	51.7	48.3	110	104	51.4	48.6
EL	9	7	56.3	43.8	9	11	45.0	55.0	8	10	44.4	55.6
E	35	40	46.7	53.3	35	39	47.3	52.7	31	39	44.3	55.7
F	0	81	-	-	0	85	-	-	0	88	-	-
IRL	:	10	-	-	:	14	-	-	:	14	-	-
I	50	50	50.0	50.0	51	54	48.6	51.4	49	59	45.4	54.6
L	10	38	20.8	79.2	10	44	18.5	81.5	6	44	12.0	88.0
NL	:	35	-	-	:	38	-	-	:	46	-	-
A	2	13	13.3	86.7	2	16	11.1	88.9	1	15	6.3	93.8
P	28	14	66.7	33.3	27	14	65.9	34.1	25	17	59.5	40.5
FIN	6	4	60.0	40.0	5	4	55.6	44.4	:	4	-	-
S	13	27	32.5	67.5	10	33	23.3	76.7	10	34	22.7	77.3
UK	421	83	83.5	16.5	421	90	82.4	17.6	421	89	82.5	17.5
IS	:	0	-	-	:	0	-	-	:	0	-	-
N	6	8	42.9	57.1	6	10	37.5	62.5	6	9	40.0	60.0
<b>EEA<sup>1</sup></b>	<b>703</b>	<b>531</b>	<b>63.4</b>	<b>36.6</b>	<b>713</b>	<b>592</b>	<b>61.0</b>	<b>39.0</b>	<b>699</b>	<b>609</b>	<b>60.5</b>	<b>39.5</b>
CH	104	15	87.4	12.6	93	14	86.9	13.1	99	4	96.1	3.9

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



## *CHAPTER 4*

# **PERFORMANCE AND COMPETITIVENESS OF THE EUROPEAN CREDIT INSTITUTIONS**

## Increasing profitability

The 1994-1999 period was a growth phase for the EU-15 banking sector. The production value increased from ECU 327 129 Mio to euro 480 178 Mio (+39.1%, Germany, Greece, Ireland, Luxembourg, Austria and Finland excluded). Between 1997 and 1999, this growth mostly benefited from the increase of non-interest income. While interest receivable and similar income (Ireland and Finland excluded) grew by 3%, income from securities increased by 30.9% and commissions receivable by 42.2%.

However, the growth of the production value of European credit institutions reveals some discrepancies between countries: from 16.4% in Spain and 18.8% in France to 60.8% in Italy and 68.7% in Switzerland.

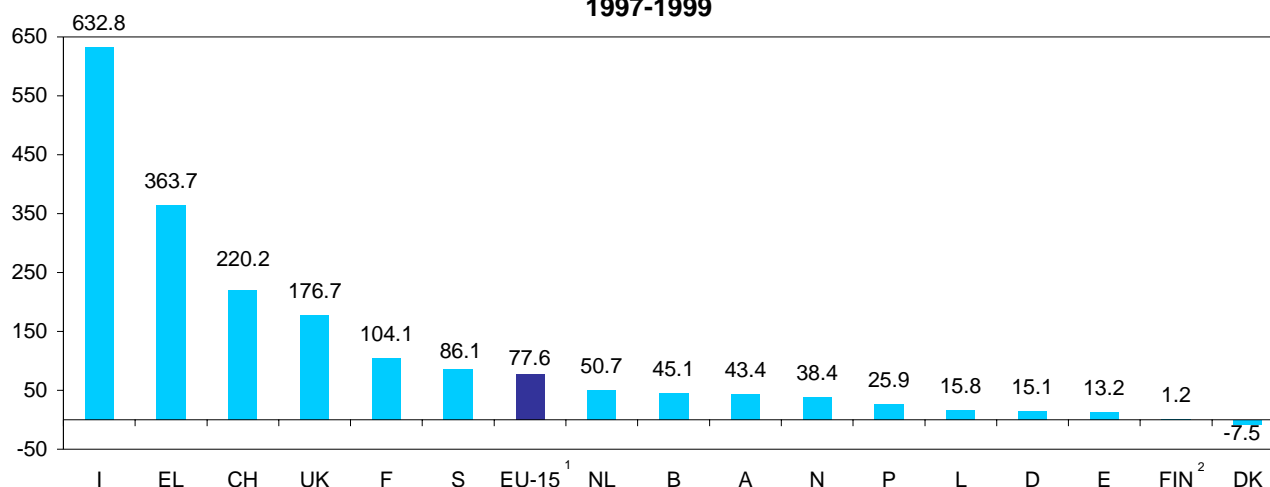
Interest payable and similar charges went slightly up (2.5%, Ireland and Finland excluded), while the EU registered a strong growth of commissions payable (41.2%). As a result, Italy and Sweden recorded drops of the interest receivable and similar income, -31.5% and -27.6% respectively, but partly compensated by a decrease of interest payable and similar charges (-47.3% and -31.5%). The evolution of the other charge components has been controlled.

The value added at factor cost of credit institutions is calculated as follows: production value *minus* total purchases of goods and services. It represents the value added generated by the various factor inputs in the operating activities. Over the 1994-1999 period, the value added at factor cost increased from ECU 218 119 Mio to euro 300 067 Mio (28.3%, Germany, Greece, Ireland, Luxembourg, Austria and Finland excluded). The highest growths were observed in the United Kingdom (67.9%) and in Switzerland (61%). The production value increased more than the value added at factor because of the high growth of the total purchases of goods and services (62.6% Greece, Ireland, Luxembourg, Austria, Finland, Sweden and the United Kingdom excluded). However, the value added at factor cost grew more than the production value in France, Sweden and the United Kingdom.

The gross operating surplus is the surplus generated by operating activities after the labour factor input has been recompensed, i.e. value added at factor cost *minus* personnel costs. Over the 1994-1999 period, the gross operating surplus grew from ECU 111 804 Mio to euro 162 582 Mio (32.8%, Germany, Greece, Ireland, Luxembourg, Austria and Finland excluded). It represented 51.3% of the value added at factor cost in 1994 and 54.2% in 1999. While the value added at factor cost rose by 28.3%, the personnel costs increased by 23.1% (Greece, Ireland and Finland excluded).

The profitability of European credit institutions was positively influenced by their increasing business. The profit for the financial year grew from ECU 46 847 Mio in 1997 to euro 81 499 Mio in 1999 (77.6%, Ireland and Finland excluded). All the countries except Denmark (-7.5%) registered an increase in profit for the financial year ranging from 13.2% in Spain to 86.1% in Sweden. Dramatic growths were observed in France (104.1%), the United Kingdom (176.7%), Greece (363.7%) and Italy (632.8%).

**Figure 1: Change in the profit for the financial year (%), 1997-1999**



(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

The profit margin is measured by the profit for the financial year divided by the operating income. The improvement of the profit margin from 11% in 1997 to 16% in 1999 confirms the increasing profitability of the EU banking sector over the past few years. In 1999, the highest rates were recorded in Greece (37% compared to 15% in 1997), the Netherlands (31%), Denmark (28% compared to 33% in 1997) and Sweden (28%).

The measure of performance per credit institution also varies depending on the countries. In 1999, the average amount of interest and commission received per enterprise at EU-15 level was of euro 143 Mio, compared to ECU 118 Mio in 1997; it ranged from euro 29 Mio in Austria and euro 59 Mio in Portugal to euro 144 Mio in France. Belgium (669), the United Kingdom (515), Greece (297), the Netherlands (296) and Luxembourg (190) were far above the EU-15 average.

The cost on income ratio measures the share of the income reserved for covering the costs. In 1999, 64% of the income were needed to cover the costs of the EU credit institutions, compared to 67% two years before. This decrease is the result of the growth of the operating income and of an enhanced cost monitoring. The highest reduction of the ratio was observed in Greece (to 49% from 63%), Spain (to 54% from 66%) and Italy (to 72% from 82%).

### A progressive banking disintermediation

The process of banking disintermediation engaged in Europe since the beginning of the 1990s has been accelerating over the past few years. Two ratios can be used as indicators of the degree of banking disintermediation.

Firstly, the net interest on non-interest income ratio, which measures to what extent the credit institutions are gradually replacing interest income by non-interest income. Over the 1997-1999 period, the EU-15 ratio increased from 1.19 to 0.92. All the countries went through a decline except Spain where the ratio rose from 0.52 to 0.99. In 1999, 5 countries recorded ratios well above the EU average: Denmark (2.27), Portugal (1.43), Germany (1.3) the Netherlands (1.27) and Belgium (1.22).

Secondly, the ratio net interest income on net commission income shows the displacement of activities producing interest income to those generating fees and commissions. In 1999, the EU-15 ratio reached 2.3 compared to 3.13 in 1997. All the Member States recorded a decrease of the ratio, while the Spanish ratio rose from 1.99 in 1997 to 2.87 in 1999. The most dramatic decrease was observed in Denmark: from 20.11 in 1997 to 3.66 in 1999. In 1999, the ratio ranged from 1.31 in Luxembourg and 1.42 in Italy (0.81 in Switzerland) to 4.49 in Belgium.

### Growing balance sheet total

The EU-15 balance sheet total amounted to euro 20 273 bn compared to ECU 17 356 bn in 1997 (+18.6%, Ireland and Finland excluded). All the countries registered a growth of the balance sheet total except Sweden (-8.1%). The highest increases were observed in Portugal (35.1%) and in the Netherlands (31.2%).

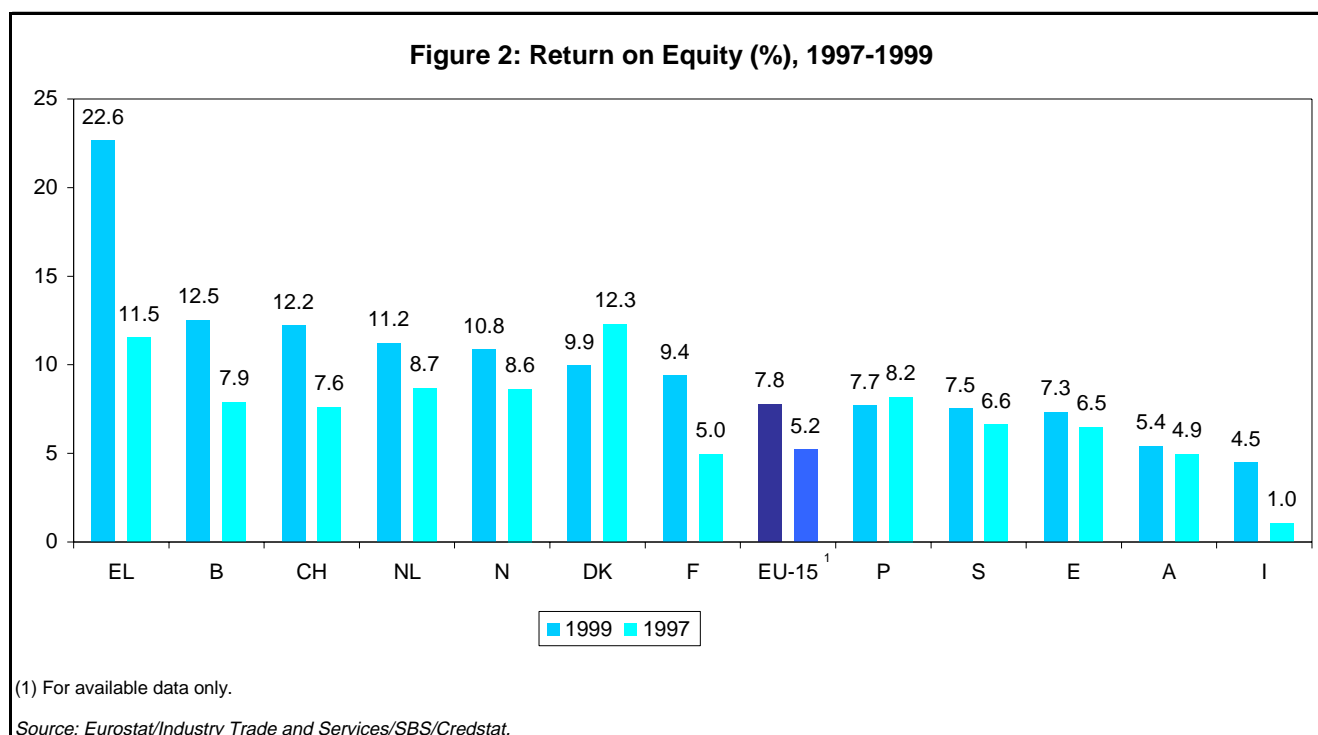
The major EU-15 countries in terms of balance sheet totals are Germany (euro 6 493 bn), the United Kingdom (euro 4 231 bn), France (euro 2 858 bn), Italy (euro 1 718 bn) and Spain (euro 1 006 bn). All the other countries present balance sheet totals below euro 1 000 bn, ranging from euro 133 bn in Greece to euro 904 bn in the Netherlands.

In 1999, loans and advances to customers amounted to euro 10 819 bn (+19.1% compared to 1997, Ireland and Finland excluded), while amounts owed to customers reached euro 9 771 bn (+15.6%, excluding Ireland and Finland). Portugal and Sweden suffered a decline of the amounts owed to customers during the period, -1.9% and -5% respectively. Eight countries recorded higher amounts corresponding to loans and advances to customers than those owed to customers as shown by the ratio loans on deposits: Denmark (2.34), Germany (1.27), France (1.15), Italy (1.39), the Netherlands (1.35), Austria (1.44), Portugal (1.02) and Sweden (2.29).

At EU-15 level, total capital and reserves increased by 26.2% between 1997 and 1999 (Ireland and Finland excluded) and represented 5.5% of the balance sheet total in 1999 compared to 5.2% in 1997. Greece registered a dramatic growth of the total capital and reserves (147.9%). The 1999 'capitalisation ratio' varied from 2.5% in Luxembourg to 10.4% in Italy.

Finally, two additional ratios can be calculated for assessing the profitability of the banking sector. Firstly, the Return on Equity measures the profitability of capital invested in the activity. In 1999, the ROE of the EU banking sector reached 7.8% compared to 5.2% in 1997. The rate increased in all the Member States except Denmark (from 12.3% to 9.9%) and Portugal (from 8.2% to 7.7%). In 1999, Greece recorded the highest ROE (22.6%).

Secondly, the Return on Assets measures the global profitability, which rose from 0.34% in 1997 to 0.54% in 1999. Again Greece had the highest rate in 1999 (1.77%), far ahead of the Netherlands (0.81%), ranking second. Three other countries are above the EU-15 average: Denmark (0.59%, compared to 0.76% in 1997), Spain (0.6%) and Sweden (0.73%).



Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the evolutions that may be calculated using data for EU-15 aggregate included in the table.

## PROFIT AND LOSS ACCOUNT

Table 1: Profit and loss account, income components (Mio of ECU (97-98) / euro (99)), 1997-1999

	Interest receivable and similar income				Interest receivable and similar income arising from fixed-income securities			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>985 108</b>	<b>1 053 711</b>	<b>1 008 596</b>	<b>3.0</b>	<b>378 752</b>	<b>405 050</b>	<b>421 323</b>	<b>11.2</b>
<b>EUR-11<sup>1</sup></b>	<b>719 322</b>	<b>748 446</b>	<b>732 235</b>	<b>2.6</b>	<b>339 243</b>	<b>360 938</b>	<b>372 293</b>	<b>9.7</b>
B <sup>2</sup>	53 942	55 264	56 154	4.1	11 495	11 792	12 569	9.3
DK	19 318	20 819	20 455	5.9	2 795	3 078	2 953	5.6
D	279 201	300 660	311 694	11.6	279 201	300 660	311 694	11.6
EL	9 439	9 861	10 715	13.5	9 439	9 861	10 715	13.5
E	43 484	46 817	41 350	-4.9	8 876	8 056	7 337	-17.3
F	142 918	147 397	146 268	2.3	18 434	20 917	22 236	20.6
IRL	:	:	:	-	:	:	:	-
I	88 342	77 541	60 497	-31.5	10 402	8 738	6 613	-36.4
L	33 007	37 129	36 593	10.9	5 823	6 019	7 290	25.2
NL	38 339	43 255	45 976	19.9	:	:	:	-
A	22 212	22 511	22 138	-0.3	2 994	3 180	3 311	10.6
P	12 162	12 110	11 566	-4.9	2 017	1 576	1 244	-38.4
FIN	5 717	5 764	:	0.8 <sup>3</sup>	:	:	:	-
S	28 179	22 818	20 410	-27.6	2 799	2 826	2 453	-12.4
UK	208 850	251 767	224 781	7.6	24 476	28 346	32 909	34.5
IS	:	:	:	-	:	:	:	-
N	9 033	10 460	12 866	42.4	901	857	890	-1.3
<b>EEA<sup>1</sup></b>	<b>994 141</b>	<b>1 064 171</b>	<b>1 021 462</b>	<b>3.3</b>	<b>379 653</b>	<b>405 907</b>	<b>422 212</b>	<b>11.2</b>
CH	40 665	42 653	41 307	1.6	:	:	:	0.0
	Income from securities				Income from shares and other variable-yield securities			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>44 067</b>	<b>50 111</b>	<b>50 984</b>	<b>30.9</b>	<b>25 163</b>	<b>29 068</b>	<b>37 954</b>	<b>27.4</b>
<b>EUR-11<sup>1</sup></b>	<b>37 201</b>	<b>41 031</b>	<b>38 371</b>	<b>19.6</b>	<b>19 137</b>	<b>20 974</b>	<b>26 652</b>	<b>8.4</b>
B <sup>4</sup>	521	575	973	87.0	95	112	114	19.9
DK	133	99	112	-15.8	80	93	106	32.7
D	8 791	11 759	12 839	46.1	8 791	11 759	12 839	46.1
EL	126	119	325	158.2	25	22	182	635.8
E	10 788	10 484	9 723	-9.9	1 912	2 427	2 386	24.8
F	5 006	6 251	:	24.9 <sup>3</sup>	:	:	5 940	-
IRL	:	:	:	-	:	:	:	-
I	8 833	8 392	9 423	6.7	7 468	5 792	4 103	-45.1
L	239	265	349	46.3	70	62	122	75.4
NL	1 733	1 162	2 740	58.1	309	316	545	76.3
A	930	1 412	1 660	78.5	401	438	552	37.8
P	248	414	664	167.8	57	38	50	-12.6
FIN	113	317	:	180.0 <sup>3</sup>	35	30	:	-13.3 <sup>3</sup>
S	970	1 983	1 514	56.0	850	1 788	1 419	66.9
UK	5 636	6 879	10 661	89.2	5 072	6 191	9 596	89.2
IS	:	:	:	-	:	:	:	-
N	107	144	288	169.1	:	:	288	-
<b>EEA<sup>1</sup></b>	<b>44 174</b>	<b>50 255</b>	<b>51 272</b>	<b>31.3</b>	<b>25 163</b>	<b>29 068</b>	<b>38 242</b>	<b>27.4</b>
CH	:	:	:	0.0	1 256	2 072	2 436	93.9

1) For available data only.

2) Including the positive results of derivatives.

3) Change (%) 97-98.

4) Including income from subordinate loans, which are in fact interests.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 1: Profit and loss account, income components (Mio of ECU (97-98) / euro (99)), 1997-1999 (continued)**

	Commissions receivable				Net profit or net loss on financial operations			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>92 126</b>	<b>108 852</b>	<b>129 736</b>	<b>42.2</b>	<b>29 962</b>	<b>50 497</b>	<b>37 867</b>	<b>27.7</b>
<b>EUR-11<sup>1</sup></b>	<b>67 575</b>	<b>80 706</b>	<b>95 057</b>	<b>42.6</b>	<b>23 327</b>	<b>27 888</b>	<b>23 530</b>	<b>2.2</b>
B	2 097	2 689	3 396	62.0	1 837	2 829	2 152	17.1
DK	496	1 660	1 893	281.4	95	149	81	-14.8
D	21 392	24 005	28 008	30.9	2 710	3 595	3 578	32.0
EL	971	928	1 454	49.7	598	677	2 433	306.9
E	6 088	7 159	7 984	31.2	1 641	1 202	987	-39.9
F	14 943	16 502	18 898	26.5	9 607	12 374	11 133	15.9
IRL	:	:	:	-	:	:	:	-
I	13 193	18 923	24 953	89.1	4 439	4 484	2 557	-42.4
L	2 308	2 718	3 404	47.5	495	640	678	37.1
NL <sup>2</sup>	3 262	3 760	4 130	26.6	1 003	1 008	1 468	46.3
A	2 568	2 890	3 024	17.8	612	636	449	-26.6
P	821	1 096	1 259	53.4	673	875	529	-21.5
FIN	904	964	:	6.7 <sup>3</sup>	309	245	:	-20.8 <sup>3</sup>
S	2 360	2 272	2 530	7.2	361	555	234	-35.2
UK	20 724	23 287	28 802	39.0	5 581	21 228	11 589	107.6
IS	:	:	:	-	:	:	:	-
N	973	967	1 048	7.7	292	134	407	39.2
<b>EEA<sup>1</sup></b>	<b>93 099</b>	<b>109 819</b>	<b>130 783</b>	<b>41.9</b>	<b>30 255</b>	<b>50 631</b>	<b>38 274</b>	<b>27.8</b>
CH	13 255	14 807	16 561	24.9	4 960	3 054	6 703	35.1
	<b>Other operating income</b>							
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>Change (%) 97-99</b>				
<b>EU-15<sup>1</sup></b>	<b>28 190</b>	<b>36 594</b>	<b>35 547</b>	<b>27.5</b>				
<b>EUR-11<sup>1</sup></b>	<b>21 112</b>	<b>23 659</b>	<b>25 943</b>	<b>24.7</b>				
B	674	680	806	19.6				
DK	1 404	315	275	-80.4				
D	5 512	6 336	6 319	14.6				
EL	246	414	487	97.9				
E	257	287	319	24.2				
F	5 966	6 134	6 779	13.6				
IRL	:	:	:	-				
I	5 506	6 149	8 195	48.8				
L	530	1 171	514	-3.0				
NL	769	948	1 370	78.2				
A	1 156	1 187	1 201	3.9				
P	437	441	439	0.4				
FIN	305	326	:	6.9 <sup>3</sup>				
S	641	1 041	1 092	70.3				
UK	4 787	11 166	7 751	61.9				
IS	:	:	:	-				
N	301	561	513	70.4				
<b>EEA<sup>1</sup></b>	<b>28 491</b>	<b>37 155</b>	<b>36 060</b>	<b>27.9</b>				
CH	907	1 549	1 347	48.5				

(1) For available data only.

(2) Commissions receivable = Net commissions.

(3) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2: Profit and loss account, charges components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Interest payable and similar charges				Interest payable and similar charges linked to debt securities in issue				Commissions payable			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>754 024</b>	<b>822 937</b>	<b>769 535</b>	<b>2.5</b>	<b>104 997</b>	<b>102 779</b>	<b>99 786</b>	<b>-3.8</b>	<b>18 275</b>	<b>21 275</b>	<b>25 654</b>	<b>41.2</b>
<b>EUR-11<sup>1</sup></b>	<b>547 248</b>	<b>569 476</b>	<b>553 848</b>	<b>1.9</b>	<b>55 434</b>	<b>55 822</b>	<b>51 535</b>	<b>-4.9</b>	<b>11 851</b>	<b>13 912</b>	<b>16 082</b>	<b>37.0</b>
B <sup>2</sup>	46 039	47 022	47 210	2.5	5 467	4 607	4 202	-23.1	985	1 105	1 406	42.8
DK	14 398	15 679	15 094	4.8	9 213	9 301	9 211	0.0	252	333	428	70.0
D	212 392	235 259	245 550	15.6	:	:	:	-	3 736	4 617	5 550	48.6
EL	7 140	7 431	7 670	7.4	:	:	:	-	91	137	95	3.9
E	33 670	28 434	22 472	-33.3	2 846	2 797	3 056	7.4	1 154	1 268	1 407	21.9
F	118 252	124 243	120 869	2.2	28 955	29 913	29 250	1.0	3 451	3 804	4 432	28.4
IRL	:	:	:	-	:	:	:	-	:	:	:	-
I	51 574	40 656	27 195	-47.3	13 392	13 483	11 340	-15.3	1 144	1 434	1 420	24.1
L	30 122	34 300	33 502	11.2	:	:	:	-	636	753	1 046	64.5
NL	27 658	31 820	33 618	21.5	:	:	:	-	:	:	:	-
A	15 752	16 243	16 003	1.6	2 943	3 130	3 103	5.4	518	612	613	18.3
P	8 317	8 103	7 429	-10.7	575	653	584	1.7	115	168	208	80.7
FIN	3 473	3 396	:	-2.2 <sup>3</sup>	1 256	1 239	:	-1.4 <sup>3</sup>	112	151	:	34.8 <sup>3</sup>
S	22 113	17 510	15 144	-31.5	6 374	4 601	8 925	40.0	428	421	459	7.2
UK	163 126	212 841	177 779	9.0	33 977	33 054	30 115	-11.4	5 654	6 472	8 591	52.0
IS	:	:	:	-	:	:	:	-	:	:	:	-
N	5 885	7 431	9 318	58.3	1 789	2 329	2 436	36.2	216	232	247	14.6
<b>EEA<sup>1</sup></b>	<b>759 910</b>	<b>830 368</b>	<b>778 852</b>	<b>3.0</b>	<b>106 786</b>	<b>105 108</b>	<b>102 222</b>	<b>-3.1</b>	<b>18 491</b>	<b>21 507</b>	<b>25 901</b>	<b>40.9</b>
CH	29 671	31 022	29 264	-1.4	:	:	:	0.0	1 191	1 337	1 677	40.8
	General administrative expenses				Other administrative expenses				Other operating charges			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>243 875</b>	<b>265 948</b>	<b>280 091</b>	<b>15.5</b>	<b>94 377</b>	<b>136 014</b>	<b>142 604</b>	<b>12.2</b>	<b>10 876</b>	<b>11 228</b>	<b>11 850</b>	<b>10.2</b>
<b>EUR-11<sup>1</sup></b>	<b>195 031</b>	<b>200 187</b>	<b>211 568</b>	<b>9.3</b>	<b>90 146</b>	<b>93 635</b>	<b>99 928</b>	<b>11.6</b>	<b>9 812</b>	<b>10 347</b>	<b>9 708</b>	<b>5.8</b>
B <sup>4</sup>	6 879	7 208	8 260	20.1	2 323	2 543	2 948	26.9	163	211	243	49.4
DK	3 167	4 032	4 489	41.7	956	1 654	1 922	101.0	573	60	32	-94.4
D	56 709	60 520	66 402	17.1	21 315	23 629	27 032	26.8	3 459	3 793	3 350	-3.1
EL	2 413	2 393	2 873	19.0	694	671	907	30.7	149	234	846	468.6
E	17 397	18 036	18 762	7.8	6 861	7 185	7 479	9.0	179	190	175	-2.3
F	35 600	36 683	39 007	9.6	15 362	16 090	17 155	11.7	4 172	4 208	4 455	6.8
IRL	:	:	:	-	:	:	:	-	:	:	:	-
I	55 290	53 224	54 436	-1.5	33 947	33 005	34 246	0.9	181	385	328	81.1
L	2 121	2 319	2 674	26.0	894	1 043	1 201	34.3	205	191	285	39.2
NL	10 024	10 784	11 765	17.4	5 322	5 679	5 884	10.6	18	10	53	193.4
A	6 496	6 710	6 862	5.6	2 380	2 528	2 579	8.4	742	721	767	3.4
P	3 051	3 138	3 400	11.4	1 129	1 266	1 405	24.4	61	58	51	-15.8
FIN	1 463	1 566	:	7.0 <sup>3</sup>	613	666	:	8.6 <sup>3</sup>	633	579	:	-8.5 <sup>3</sup>
S	5 236	4 737	5 031	-3.9	2 581	2 294	2 442	-5.4	343	588	699	104.0
UK	38 027	54 600	56 130	47.6	:	37 760	37 405	-0.9 <sup>5</sup>	:	:	565	-
IS	:	:	:	-	:	:	:	-	:	:	:	-
N	2 118	2 121	2 384	12.6	791	821	974	23.2	756	700	672	-11.1
<b>EEA<sup>1</sup></b>	<b>245 992</b>	<b>268 069</b>	<b>282 474</b>	<b>15.5</b>	<b>95 167</b>	<b>136 835</b>	<b>143 578</b>	<b>12.3</b>	<b>11 633</b>	<b>11 928</b>	<b>12 522</b>	<b>8.7</b>
CH	17 023	17 330	20 869	22.6	6 499	7 090	7 722	18.8	:	:	:	-

(1) For available data only.

(2) Including negative results of derivatives.

(3) Change (%) 97-98.

(4) Including interest payable and similar charges associated to deposits certificates.

(5) Change (%) 98-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3: Profit and loss account, adjustments components (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Value adjustments and value readjustments in respect of loans and advances and provisions for contingent liabilities and for commitments				Other value adjustments and value readjustments			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>21 313</b>	<b>15 405</b>	<b>13 262</b>	<b>-36.6</b>	<b>5 436</b>	<b>12 448</b>	<b>6 311</b>	<b>19.5</b>
<b>EUR-11<sup>1</sup></b>	<b>19 578</b>	<b>13 997</b>	<b>12 001</b>	<b>-37.5</b>	<b>4 289</b>	<b>11 203</b>	<b>5 108</b>	<b>23.6</b>
B	1 611	1 803	1 445	-10.3	666	721	744	11.7
DK	279	379	305	9.5	400	491	499	24.6
D	- 12 799	- 13 885	- 11 244	-	859	7 741	2 430	183.0
EL	553	503	822	48.6	190	219	334	76.0
E	1 728	1 404	1 279	-26.0	1 757	2 142	1 174	-33.2
F	8 595	7 501	4 402	-48.8	172	- 819	- 819	-
IRL	:	:	:	-	:	:	:	-
I	17 719	14 089	13 763	-22.3	308	347	403	30.8
L	529	1 035	653	23.5	252	267	285	13.2
NL	911	856	997	9.5	903	1 073	1 096	21.4
A	1 830	2 229	1 794	-1.9	- 333	57	352	-
P	- 932	- 1 274	- 1 087	-	- 451	- 496	- 558	-
FIN	388	239	:	-38.3 <sup>2</sup>	156	170	:	8.7 <sup>2</sup>
S	903	525	134	-85.2	557	535	371	-33.4
UK	:	:	:	-	:	:	:	-
IS	:	:	:	-	:	:	:	-
N	65	290	277	324.1	194	185	331	70.3
<b>EEA<sup>1</sup></b>	<b>21 379</b>	<b>15 695</b>	<b>13 539</b>	<b>-35.5</b>	<b>5 630</b>	<b>12 633</b>	<b>6 642</b>	<b>21.3</b>
CH	6 959	5 189	3 768	-45.9	1 490	1 563	1 477	-0.9

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



Table 4: Profit and loss account, profit and tax components (Mio of ECU (97-98) / euro (99)), 1997-1999

	Profit or loss on ordinary activities				Extraordinary profit or loss			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>39 576</b>	<b>56 187</b>	<b>65 961</b>	<b>71.4</b>	<b>331</b>	<b>5 661</b>	<b>4 351</b>	<b>2116.5</b>
<b>EUR-11<sup>1</sup></b>	<b>32 713</b>	<b>48 147</b>	<b>56 820</b>	<b>79.7</b>	<b>501</b>	<b>5 643</b>	<b>3 631</b>	<b>890.6</b>
B	2 728	3 966	4 173	53.0	522	- 423	31	-94.1
DK	2 949	2 853	2 703	-8.3	- 99	- 8	3	-
D	:	:	:	-	- 1 662	4 556	- 261	-
EL	844	1 081	2 774	228.7	21	28	717	3396.0
E	6 372	6 422	7 757	21.7	1 396	1 845	1 480	6.0
F	8 196	13 039	16 674	103.4	- 213	- 1 010	- 1 388	-
IRL	:	:	:	-	:	:	:	-
I	5 552	13 885	16 256	192.8	243	1 209	3 563	1365.5
L	:	:	:	-	21	180	- 50	-
NL	5 593	5 590	8 155	45.8	12	- 1	20	65.9
A	1 770	2 065	2 081	17.6	- 165	- 289	- 7	-
P	1 415	1 698	1 723	21.8	212	121	244	15.0
FIN	1 088	1 481	:	36.2 <sup>2</sup>	134	- 546	:	-
S	3 069	4 107	3 664	19.4	- 92	- 2	0	-
UK	:	:	:	-	:	:	:	-
IS	:	:	:	-	:	:	:	-
N	1 490	1 317	2 121	42.4	9	18	19	107.5
<b>EEA<sup>1</sup></b>	<b>41 066</b>	<b>57 504</b>	<b>68 082</b>	<b>70.3</b>	<b>340</b>	<b>5 678</b>	<b>4 370</b>	<b>2027.5</b>
CH	4 709	7 694	8 865	88.2	- 1 373	2 091	1 205	-

	All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)				Profit or loss for the financial year			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>25 039</b>	<b>34 016</b>	<b>35 608</b>	<b>23.2</b>	<b>46 847</b>	<b>73 414</b>	<b>81 499</b>	<b>77.6</b>
<b>EUR-11<sup>1</sup></b>	<b>23 649</b>	<b>32 355</b>	<b>28 619</b>	<b>21.9</b>	<b>36 002</b>	<b>55 671</b>	<b>56 142</b>	<b>60.2</b>
B	1 258	1 451	1 314	4.5	1 992	2 092	2 890	45.1
DK	493	563	523	5.9	2 357	2 281	2 181	-7.5
D	11 415	16 280	9 642	-15.5	10 951	18 222	12 603	15.1
EL	247	374	630	154.8	617	735	2 861	363.7
E	1 610	1 639	2 029	26.0	6 371	6 691	7 209	13.2
F	2 390	1 552	3 873	62.1	5 593	10 476	11 413	104.1
IRL	:	:	:	-	:	:	:	-
I	4 030	8 721	8 721	116.4	1 338	7 343	9 807	632.8
L	970	796	1 000	3.1	1 765	2 442	2 043	15.8
NL	1 113	1 124	1 408	26.5	4 490	4 465	6 767	50.7
A	366	264	297	-18.7	1 240	1 512	1 778	43.4
P	331	369	335	1.4	1 296	1 451	1 632	25.9
FIN	167	159	:	-4.6 <sup>2</sup>	966	977	:	1.2 <sup>2</sup>
S	649	724	866	33.5	1 618	2 855	3 012	86.1
UK	:	:	4 970	-	6 253	11 873	17 303	176.7
IS	:	:	:	-	:	:	:	-
N	255	234	420	64.4	1 243	1 101	1 720	38.4
<b>EEA<sup>1</sup></b>	<b>25 294</b>	<b>34 250</b>	<b>36 028</b>	<b>23.6</b>	<b>48 090</b>	<b>74 515</b>	<b>83 219</b>	<b>76.6</b>
CH	815	925	1 997	145.0	2 521	8 860	8 073	220.2

(1) For available data only. (2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 5: Profit and loss account, macroeconomic variables (Mio of ECU (94-98) / euro (99)), 1994-1999

	Production value						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
<b>EU-15<sup>1</sup></b>	<b>327 129</b>	<b>332 508</b>	<b>345 131</b>	<b>427 360</b>	<b>476 833</b>	<b>480 178</b>	<b>39.1</b>
<b>EUR-11<sup>1</sup></b>	<b>241 812</b>	<b>250 346</b>	<b>262 466</b>	<b>321 289</b>	<b>352 258</b>	<b>349 582</b>	<b>36.3</b>
B	9 820	10 850	11 644	13 032	15 015	15 412	57.0
DK	10 197	7 057	7 266	7 048	7 363	7 715	9.3 <sup>2</sup>
D	85 205 <sup>3</sup>	86 837 <sup>3</sup>	89 278 <sup>3</sup>	105 214	111 100	116 897	11.1 <sup>4</sup>
EL	:	:	:	4 240	4 567	7 600	79.2 <sup>4</sup>
E	26 249	26 243	28 335	28 587	37 515	30 556	16.4
F	57 362	60 878	59 364	60 187	64 416	68 151	18.8
IRL	:	:	:	:	:	:	-
I	45 478	43 053	49 110	68 740	74 831	73 112	60.8
L	:	:	:	6 456	7 622	7 809	21.0 <sup>4</sup>
NL	13 221	14 444	15 866	17 448	18 313	19 871	50.3
A	:	:	:	11 726	12 393	11 361	-3.1 <sup>4</sup>
P	4 478	4 902	5 477	6 024	6 833	6 413	43.2
FIN	:	3 140 <sup>3</sup>	3 392 <sup>3</sup>	3 875	4 219	:	8.9 <sup>5</sup>
S	6 854	7 113	7 329	10 398	11 160	10 540	53.8
UK	68 266	67 992	68 070	84 384	101 486	104 740	53.4
IS	299 <sup>3</sup>	293 <sup>3</sup>	:	:	:	:	-1.9 <sup>6</sup>
N	3 503 <sup>3</sup>	3 698 <sup>3</sup>	4 657	4 821	4 834	5 804	24.6 <sup>7</sup>
<b>EEA<sup>1</sup></b>	<b>330 931</b>	<b>336 498</b>	<b>349 788</b>	<b>432 181</b>	<b>481 667</b>	<b>485 982</b>	<b>39.1</b>
CH	23 178	25 835	27 675	31 372	33 113	39 090	68.7

	Value added at factor cost						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
<b>EU-15<sup>1</sup></b>	<b>218 119</b>	<b>212 834</b>	<b>222 183</b>	<b>263 587</b>	<b>297 910</b>	<b>300 067</b>	<b>28.3</b>
<b>EUR-11<sup>1</sup></b>	<b>170 069</b>	<b>173 207</b>	<b>181 586</b>	<b>209 482</b>	<b>234 364</b>	<b>223 861</b>	<b>20.1</b>
B	7 097	7 947	8 598	9 561	11 156	10 816	52.4
DK	8 894	5 520	5 621	5 268	5 315	5 334	-3.4 <sup>2</sup>
D	59 926 <sup>3</sup>	60 264 <sup>3</sup>	61 648 <sup>3</sup>	76 706	79 060	80 963	5.5 <sup>4</sup>
EL	:	:	:	3 306	3 525	5 752	74.0 <sup>4</sup>
E	18 756	18 671	20 356	20 393	28 873	21 493	14.6
F	35 079	37 512	36 075	37 202	40 314	42 109	20.0
IRL	:	:	:	:	:	:	-
I	34 178	32 609	37 376	33 468	40 007	37 118	8.6
L	:	:	:	4 722	5 635	5 277	11.8 <sup>4</sup>
NL	9 755	10 619	11 282	12 108	12 624	13 934	42.8
A	:	:	:	8 086	8 533	7 402	-8.5 <sup>4</sup>
P	3 522	3 797	4 187	4 720	5 340	4 750	34.8
FIN	1 754 <sup>3</sup>	1 786 <sup>3</sup>	2 064 <sup>3</sup>	2 516	2 823	:	12.2 <sup>5</sup>
S	4 500	4 763	4 989	7 047	7 857	6 940	54.2
UK	34 656	29 344	29 988	38 485	46 849	58 180	67.9
IS	226 <sup>3</sup>	222 <sup>3</sup>	:	:	:	:	-1.9 <sup>6</sup>
N	2 260 <sup>3</sup>	2 283 <sup>3</sup>	2 993	3 059	3 081	3 910	30.6 <sup>7</sup>
<b>EEA<sup>1</sup></b>	<b>220 606</b>	<b>215 339</b>	<b>225 176</b>	<b>266 646</b>	<b>300 992</b>	<b>303 977</b>	<b>28.3</b>
CH	18 437	20 301	20 951	23 682	24 685	29 692	61.0

(1) For available data only.

(3) Nace class 65.22 not available.

(5) Change (%) 97-98.

(7) Change (%) 96-99.

(2) Change (%) 95-99.

(4) Change (%) 97-99.

(6) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5: Profit and loss account, macroeconomic variables (Mio of ECU (94-98) / euro (99)), 1994-1999 (continued)**

	Total purchases of goods and services						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
<b>EU-15<sup>1</sup></b>	<b>74 800</b>	<b>78 675</b>	<b>82 526</b>	<b>117 874</b>	<b>168 519</b>	<b>180 110</b>	<b>62.6</b>
<b>EUR-11<sup>1</sup></b>	<b>73 498</b>	<b>77 139</b>	<b>80 881</b>	<b>111 808</b>	<b>117 895</b>	<b>125 720</b>	<b>62.2</b>
B	2 723	2 903	3 046	3 471	3 860	4 597	68.8
DK	1 302	1 536	1 645	1 780	2 047	2 382	82.9
D	25 279	26 572	27 630	28 508	32 040	35 934	29.0
EL	:	:	:	934	1 042	1 848	97.8 <sup>2</sup>
E	7 492	7 571	7 979	8 195	8 644	9 063	21.0
F	22 283	23 366	23 290	22 986	24 101	26 041	16.9
IRL	:	:	:	:	:	:	-
I	11 299	10 444	11 734	35 272	34 824	35 994	218.5
L	:	:	:	1 735	1 988	2 532	46.0 <sup>2</sup>
NL	3 466	3 824	4 584	5 340	5 689	5 937	71.3
A	:	:	:	3 640	3 860	3 959	8.8 <sup>2</sup>
P	956	1 105	1 290	1 304	1 492	1 664	74.1
FIN	:	1 353 <sup>3</sup>	1 328 <sup>3</sup>	1 359	1 397	:	2.8 <sup>4</sup>
S	:	:	:	3 351	3 303	3 600	7.4 <sup>2</sup>
UK	:	:	:	:	44 232	46 560	5.3 <sup>5</sup>
IS	88 <sup>3</sup>	86 <sup>3</sup>	:	:	:	:	-1.9 <sup>6</sup>
N	1 243 <sup>3</sup>	1 415 <sup>3</sup>	1 664	1 762	1 753	1 894	13.8 <sup>7</sup>
<b>EEA<sup>1</sup></b>	<b>76 131</b>	<b>80 176</b>	<b>84 190</b>	<b>119 637</b>	<b>170 272</b>	<b>182 004</b>	<b>62.6</b>
CH	4 741	5 533	6 724	7 691	8 428	9 399	98.2

	Gross operating surplus						Change (%) 94-99
	1994	1995	1996	1997	1998	1999	
<b>EU-15<sup>1</sup></b>	<b>111 804</b>	<b>104 582</b>	<b>109 023</b>	<b>138 064</b>	<b>167 974</b>	<b>162 582</b>	<b>32.8</b>
<b>EUR-11<sup>1</sup></b>	<b>79 012</b>	<b>79 569</b>	<b>84 322</b>	<b>104 596</b>	<b>127 810</b>	<b>112 222</b>	<b>26.8</b>
B	2 870	3 561	4 094	5 005	6 491	5 503	91.7
DK	6 920	3 515	3 658	3 057	2 938	2 766	-60.0
D	28 121	25 503	26 691	41 312	42 169	41 593	47.9
EL	-	-	-	1 587	1 803	3 786	138.6 <sup>2</sup>
E	8 909	8 806	9 972	9 857	18 021	10 211	14.6
F	15 588	17 479	15 675	16 963	19 720	20 257	30.0
IRL	-	-	-	-	-	-	-
I	15 405	15 237	17 663	12 125	19 789	16 928	9.9
L	-	-	-	3 494	4 359	3 804	8.9 <sup>2</sup>
NL	5 517	6 251	6 849	7 406	7 519	8 053	46.0
A	-	-	-	3 970	4 350	3 119	-21.4 <sup>2</sup>
P	1 940	2 082	2 363	2 798	3 469	2 755	42.0
FIN	662	649	1 015	1 667	1 923	-	15.4 <sup>4</sup>
S	2 597	2 583	2 490	4 391	5 414	4 352	67.6
UK	23 275	18 914	18 553	24 433	30 009	39 454	69.5
IS	131	128	-	-	-	-	-1.9 <sup>6</sup>
N	1 314	1 252	1 759	1 732	1 782	2 500	90.3
<b>EEA<sup>1</sup></b>	<b>113 249</b>	<b>105 962</b>	<b>110 782</b>	<b>139 795</b>	<b>169 756</b>	<b>165 082</b>	<b>33.7</b>
CH	10 013	11 104	11 036	13 158	14 445	16 546	65.2

(1) For available data only.

(3) Nace class 65.22 not available.

(5) Change (%) 98-99.

(7) Change (%) 96-99.

(2) Change (%) 97-99.

(4) Change (%) 97-98.

(6) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 6: Profit and loss account, ratios, 1997-1999

	Interest and commission received per enterprise (Mio of ECU (97-98) / euro (99))				Net interest income / Net commission income			Profit for the financial year / (Net interest + Net commission income)		
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>118</b>	<b>132</b>	<b>143</b>	<b>8.1</b>	<b>3.13</b>	<b>2.64</b>	<b>2.30</b>	<b>0.15</b>	<b>0.23</b>	<b>0.24</b>
<b>EUR-11<sup>1</sup></b>	<b>97</b>	<b>106</b>	<b>118</b>	<b>8.3</b>	<b>3.09</b>	<b>2.68</b>	<b>2.26</b>	<b>0.16</b>	<b>0.23</b>	<b>0.22</b>
B	514	610	669	14.1	7.11	5.20	4.49	0.22	0.21	0.26
DK	97	112	111	7.0	20.11	3.87	3.66	0.46	0.35	0.32
D	87	99	111	13.3	3.78	3.37	2.95	0.13	0.21	0.14
EL	267	251	297	5.4	2.61	3.07	2.24	0.19	0.23	0.65
E	119	134	127	3.4	1.99	3.12	2.87	0.43	0.28	0.28
F	124	135	144	7.6	2.15	1.82	1.76	0.15	0.29	0.29
IRL	-	-	-	-	-	-	-	-	-	-
I	109	105	98	-5.2	3.05	2.11	1.42	0.03	0.14	0.17
L	164	191	190	7.7	1.73	1.44	1.31	0.39	0.51	0.37
NL	246	290	296	9.7	3.27	3.04	2.99	0.32	0.29	0.41
A	26	27	29	5.5	3.15	2.75	2.54	0.15	0.18	0.21
P	56	58	59	2.3	5.45	4.32	3.93	0.28	0.29	0.31
FIN	18	19	-	3.0 <sup>2</sup>	2.84	2.91	-	0.32	0.31	-
S	145	119	108	-13.7	3.14	2.87	2.54	0.20	0.40	0.41
UK	429	524	515	9.6	3.03	2.32	2.33	0.10	0.21	0.26
IS	-	-	-	-	-	-	-	-	-	-
N	46	52	64	18.2	4.15	4.12	4.43	0.32	0.29	0.40
<b>EEA<sup>1</sup></b>	<b>116</b>	<b>130</b>	<b>141</b>	<b>8.1</b>	<b>3.14</b>	<b>2.65</b>	<b>2.31</b>	<b>0.16</b>	<b>0.23</b>	<b>0.24</b>
CH	135	151	153	6.6	0.91	0.86	0.81	0.11	0.35	0.30

	Profit for the financial year / Operating income			Net interest income / Non-interest income			Cost on income ratio		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>0.11</b>	<b>0.15</b>	<b>0.16</b>	<b>1.19</b>	<b>0.94</b>	<b>0.92</b>	<b>0.67</b>	<b>0.63</b>	<b>0.64</b>
<b>EUR-11<sup>1</sup></b>	<b>0.11</b>	<b>0.16</b>	<b>0.15</b>	<b>1.15</b>	<b>1.03</b>	<b>0.94</b>	<b>0.68</b>	<b>0.64</b>	<b>0.65</b>
B	0.15	0.14	0.18	1.54	1.22	1.22	0.62	0.57	0.61
DK	0.33	0.31	0.28	2.31	2.31	2.27	0.57	0.60	0.64
D	0.10	0.16	0.11	1.74	1.43	1.30	0.61	0.62	0.64
EL	0.15	0.16	0.37	1.18	1.14	0.65	0.63	0.61	0.49
E	0.22	0.18	0.19	0.52	0.96	0.99	0.66	0.52	0.54
F	0.09	0.16	0.17 <sup>3</sup>	0.69	0.56	0.59 <sup>3</sup>	0.72	0.69	0.70 <sup>3</sup>
IRL	-	-	-	-	-	-	-	-	-
I	0.02	0.10	0.13	1.15	0.97	0.74	0.82	0.74	0.72
L	0.27	0.32	0.25	0.81	0.59	0.63	0.46	0.43	0.50
NL	0.26	0.24	0.31	1.58	1.66	1.27	-	-	-
A	0.11	0.12	0.14	1.23	1.02	0.97	0.66	0.65	0.66
P	0.22	0.21	0.23	1.76	1.42	1.43	0.54	0.49	0.52
FIN	0.25	0.23	-	1.38	1.28	-	0.57	0.54	-
S	0.16	0.26	0.28	1.40	0.91	0.98	0.58	0.51	0.58
UK	0.08	0.12	0.16	1.24	0.62	0.80	-	-	0.62
IS	-	-	-	-	-	-	-	-	-
N	0.26	0.23	0.30	1.88	1.68	1.57	0.64	0.63	0.57
<b>EEA<sup>1</sup></b>	<b>0.11</b>	<b>0.15</b>	<b>0.16</b>	<b>1.19</b>	<b>0.94</b>	<b>0.92</b>	<b>0.67</b>	<b>0.63</b>	<b>0.64</b>
CH	-	-	-	-	-	-	-	-	-

(1) For available data only.

(2) Change (%) 97-98

(3) Income from shares and other variable-yield securities included.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**BALANCE SHEET****Table 7: Balance sheet, main items (Mio of ECU (97-98) / euro (99)), 1997-1999**

	Loans and advances to customers				Amounts owed to customers			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>9 240 114</b>	<b>10 034 311</b>	<b>10 819 601</b>	<b>19.1</b>	<b>8 574 135</b>	<b>9 066 435</b>	<b>9 771 214</b>	<b>15.6</b>
<b>EUR-11<sup>1</sup></b>	<b>5 846 902</b>	<b>6 218 840</b>	<b>6 770 714</b>	<b>18.9</b>	<b>5 117 890</b>	<b>5 292 195</b>	<b>5 635 445</b>	<b>12.8</b>
B	226 869	235 664	257 171	13.4	260 135	274 713	295 552	13.6
DK	204 696	218 462	240 556	17.5	85 298	94 354	102 639	20.3
D	2 720 949	2 943 973	3 187 066	17.1	2 166 572	2 315 487	2 505 126	15.6
EL	37 863	42 207	52 455	38.5	80 155	81 567	89 756	12.0
E	413 659	464 813	531 330	28.4	453 673	466 527	537 825	18.5
F	796 519	824 657	938 420	17.8	741 648	775 526	813 375	9.7
IRL	66 577	:	:	-	63 685	:	:	-
I	716 925	762 475	840 895	17.3	592 923	570 117	607 115	2.4
L	96 311	97 542	117 233	21.7	193 260	190 148	193 825	0.3
NL	412 900	459 329	522 989	26.7	336 384	356 128	386 356	14.9
A	220 333	233 495	252 828	14.7	130 225	154 109	176 125	35.2
P	90 284	110 640	122 783	36.0	122 436	132 245	120 146	-1.9
FIN	85 576	86 250	:	0.8 <sup>2</sup>	56 951	57 195	:	0.4 <sup>2</sup>
S	242 600	231 636	246 359	1.5	113 224	101 589	107 586	-5.0
UK	2 908 054	3 323 166	3 509 516	20.7	3 177 568	3 496 730	3 835 788	20.7
IS	:	:	:	-	:	:	:	-
N	130 520	142 734	158 045	21.1	88 914	113 279	126 703	42.5
<b>EEA<sup>1</sup></b>	<b>9 370 634</b>	<b>10 177 045</b>	<b>10 977 646</b>	<b>19.6</b>	<b>8 663 049</b>	<b>9 179 715</b>	<b>9 897 918</b>	<b>16.1</b>
CH	509 799	560 323	579 929	13.8	489 738	555 291	618 984	26.4

	Total of capital and reserves				Balance sheet total			
	1997	1998	1999	Change (%) 97-99	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>904 626</b>	<b>973 618</b>	<b>1 119 755</b>	<b>26.2</b>	<b>17 356 527</b>	<b>18 670 070</b>	<b>20 273 211</b>	<b>18.6</b>
<b>EUR-11<sup>1</sup></b>	<b>647 631</b>	<b>682 624</b>	<b>774 431</b>	<b>22.9</b>	<b>12 960 857</b>	<b>13 777 631</b>	<b>15 131 356</b>	<b>19.1</b>
B	18 679	22 130	23 623	26.5	664 188	680 045	732 318	10.3
DK	19 965	21 377	22 533	12.9	322 562	357 841	384 534	19.2
D	169 763	181 178	204 323	20.4	5 308 002	5 906 088	6 493 520	22.3
EL	5 179	6 102	12 839	147.9	107 811	108 841	133 257	23.6
E	73 401	76 456	80 529	9.7	847 346	904 261	1 006 155	18.7
F	117 253	120 045	152 834	30.3	2 450 413	2 500 452	2 858 599	16.7
IRL	9 980	:	:	-	134 113	:	:	-
I	145 970	159 649	178 311	22.2	1 572 533	1 604 178	1 718 355	9.3
L	11 705	12 897	15 042	28.5	514 109	537 148	598 459	16.4
NL	51 515	54 807	65 579	27.3	689 698	766 543	904 862	31.2
A	28 499	32 056	33 958	19.2	430 598	472 078	515 937	19.8
P	13 249	15 890	20 232	52.7	224 364	284 862	303 150	35.1
FIN	7 618	7 516	:	-1.3 <sup>2</sup>	125 495	121 974	:	-2.8 <sup>2</sup>
S	36 648	35 813	38 624	5.4	427 645	370 349	393 010	-8.1
UK	195 203	227 703	271 328	39.0	3 537 651	4 055 409	4 231 053	19.6
IS	:	:	:	-	:	:	:	-
N	14 306	14 695	16 697	16.7	165 123	174 485	194 554	17.8
<b>EEA<sup>1</sup></b>	<b>918 932</b>	<b>988 313</b>	<b>1 136 452</b>	<b>27.0</b>	<b>17 521 650</b>	<b>18 844 555</b>	<b>20 467 764</b>	<b>19.2</b>
CH	51 281	53 187	59 450	15.9	1 113 085	1 302 809	1 441 658	29.5

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 8: Balance sheet, ratios , 1997-1999

	Balance sheet total per enterprise (Mio of ECU (97-98) / euro (99))				Loans and advances to customers / Amounts owed to customers		
	1997	1998	1999	Change (%) 97-99	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>1 891</b>	<b>2 124</b>	<b>2 544</b>	<b>30.3</b>	<b>1.08</b>	<b>1.11</b>	<b>1.11</b>
<b>EUR-11<sup>1</sup></b>	<b>1 583</b>	<b>1 764</b>	<b>2 155</b>	<b>31.8</b>	<b>1.14</b>	<b>1.18</b>	<b>1.20</b>
B	6 093	7 158	8 228	35.0	0.87	0.86	0.87
DK	1 581	1 780	1 913	21.0	2.40	2.32	2.34
D	1 529	1 792	2 126	39.0	1.26	1.27	1.27
EL	2 764	2 531	3 250	17.6	0.47	0.52	0.58
E	2 037	2 238	2 600	27.6	0.91	1.00	0.99
F	1 929	2 065	2 490	29.1	1.07	1.06	1.15
IRL	2 530	-	-	-	1.05	-	-
I	1 682	1 742	1 962	16.6	1.21	1.34	1.39
L	2 391	2 570	2 850	19.2	0.50	0.51	0.60
NL	4 081	4 732	5 354	31.2	1.23	1.29	1.35
A	451	510	593	31.4	1.69	1.52	1.44
P	967	1 260	1 384	43.1	0.74	0.84	1.02
FIN	343	338	-	-1.5 <sup>2</sup>	1.50	1.51	-
S	2 036	1 764	1 854	-9.0	2.14	2.28	2.29
UK	6 612	7 725	8 600	30.1	0.92	0.95	0.91
IS	-	-	-	-	-	-	-
N	761	793	901	18.4	1.47	1.26	1.25
<b>EEA<sup>1</sup></b>	<b>1 865</b>	<b>2 092</b>	<b>2 501</b>	<b>30.0</b>	<b>1.08</b>	<b>1.11</b>	<b>1.11</b>
CH	2 790	3 419	3 824	37.1	1.04	1.01	0.94

	Loans and advances to customers as % of Balance sheet total			Amounts owed to customers as % of Balance sheet total			Total of capital and reserves as % of Balance sheet total		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>53.2</b>	<b>53.7</b>	<b>53.4</b>	<b>49.4</b>	<b>48.6</b>	<b>48.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.5</b>
<b>EUR-11<sup>1</sup></b>	<b>45.1</b>	<b>45.1</b>	<b>44.7</b>	<b>39.5</b>	<b>38.4</b>	<b>37.2</b>	<b>5.0</b>	<b>5.0</b>	<b>5.1</b>
B	34.2	34.7	35.1	39.2	40.4	40.4	2.8	3.3	3.2
DK	63.5	61.0	62.6	26.4	26.4	26.7	6.2	6.0	5.9
D	51.3	49.8	49.1	40.8	39.2	38.6	3.2	3.1	3.1
EL	35.1	38.8	39.4	74.3	74.9	67.4	4.8	5.6	9.6
E	48.8	51.4	52.8	53.5	51.6	53.5	8.7	8.5	8.0
F	32.5	33.0	32.8	30.3	31.0	28.5	4.8	4.8	5.3
IRL	49.6	-	-	47.5	-	-	7.4	-	-
I	45.6	47.5	48.9	37.7	35.5	35.3	9.3	10.0	10.4
L	18.7	18.2	19.6	37.6	35.4	32.4	2.3	2.4	2.5
NL	59.9	59.9	57.8	48.8	46.5	42.7	7.5	7.1	7.2
A	51.2	49.5	49.0	30.2	32.6	34.1	6.6	6.8	6.6
P	40.2	38.8	40.5	54.6	46.4	39.6	5.9	5.6	6.7
FIN	68.2	70.7	-	45.4	46.9	-	6.1	6.2	-
S	56.7	62.5	62.7	26.5	27.4	27.4	8.6	9.7	9.8
UK	82.2	81.9	82.9	89.8	86.2	90.7	5.5	5.6	6.4
IS	-	-	-	-	-	-	-	-	-
N	79.0	81.8	81.2	53.8	64.9	65.1	8.7	8.4	8.6
<b>EEA<sup>1</sup></b>	<b>53.5</b>	<b>54.0</b>	<b>53.6</b>	<b>49.4</b>	<b>48.7</b>	<b>48.4</b>	<b>5.2</b>	<b>5.2</b>	<b>5.6</b>
CH	45.8	43.0	40.2	44.0	42.6	42.9	4.6	4.1	4.1

(1) For available data only. (2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 9: Financial ratios, 1997-1999

	Net interest income as % of Balance sheet total			Net commission income as % of Balance sheet total		
	1997	1998	1999	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>1.34</b>	<b>1.24</b>	<b>1.18</b>	<b>0.43</b>	<b>0.47</b>	<b>0.51</b>
<b>EUR-11<sup>1</sup></b>	<b>1.33</b>	<b>1.30</b>	<b>1.18</b>	<b>0.43</b>	<b>0.48</b>	<b>0.52</b>
B	1.19	1.21	1.22	0.17	0.23	0.27
DK	1.53	1.44	1.39	0.08	0.37	0.38
D	1.26	1.11	1.02	0.33	0.33	0.35
EL	2.13	2.23	2.28	0.82	0.73	1.02
E	1.16	2.03	1.88	0.58	0.65	0.65
F	1.01	0.93	0.89	0.47	0.51	0.51
IRL	-	-	-	-	-	-
I	2.34	2.30	1.94	0.77	1.09	1.37
L	0.56	0.53	0.52	0.33	0.37	0.39
NL	1.55	1.49	1.37	0.47	0.49	0.46
A	1.50	1.33	1.19	0.48	0.48	0.47
P	1.71	1.41	1.36	0.31	0.33	0.35
FIN	1.79	1.94	-	0.63	0.67	-
S	1.42	1.43	1.34	0.45	0.50	0.53
UK	1.29	0.96	1.11	0.43	0.41	0.48
IS	-	-	-	-	-	-
N	1.91	1.74	1.82	0.46	0.42	0.41
<b>EEA<sup>1</sup></b>	<b>1.35</b>	<b>1.24</b>	<b>1.19</b>	<b>0.43</b>	<b>0.47</b>	<b>0.51</b>
CH	0.99	0.89	0.84	1.08	1.03	1.03

	Return on assets (%)			Return on equity (%)		
	1997	1998	1999	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>0.34</b>	<b>0.49</b>	<b>0.54</b>	<b>5.2</b>	<b>7.3</b>	<b>7.8</b>
<b>EUR-11<sup>1</sup></b>	<b>0.31</b>	<b>0.46</b>	<b>0.51</b>	<b>4.7</b>	<b>7.0</b>	<b>7.4</b>
B	0.22	0.37	0.40	7.9	12.3	12.5
DK	0.76	0.67	0.59	12.3	11.1	9.9
D	-	-	-	-	-	-
EL	0.55	0.65	1.77	11.5	12.5	22.6
E	0.56	0.55	0.60	6.5	6.4	7.3
F	0.24	0.46	0.48	5.0	9.7	9.4
IRL	-	-	-	-	-	-
I	0.10	0.33	0.45	1.0	3.4	4.5
L	-	-	-	-	-	-
NL	0.65	0.61	0.81	8.7	8.4	11.2
A	0.33	0.40	0.36	4.9	5.9	5.4
P	0.48	0.52	0.47	8.2	9.1	7.7
FIN	0.73	1.07	-	12.1	17.5	-
S	0.57	0.85	0.73	6.6	9.3	7.5
UK	-	-	-	-	-	-
IS	-	-	-	-	-	-
N	0.75	0.64	0.92	8.6	7.5	10.8
<b>EEA<sup>1</sup></b>	<b>0.35</b>	<b>0.49</b>	<b>0.55</b>	<b>5.3</b>	<b>7.3</b>	<b>7.9</b>
CH	0.35	0.56	0.50	7.6	13.0	12.2

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

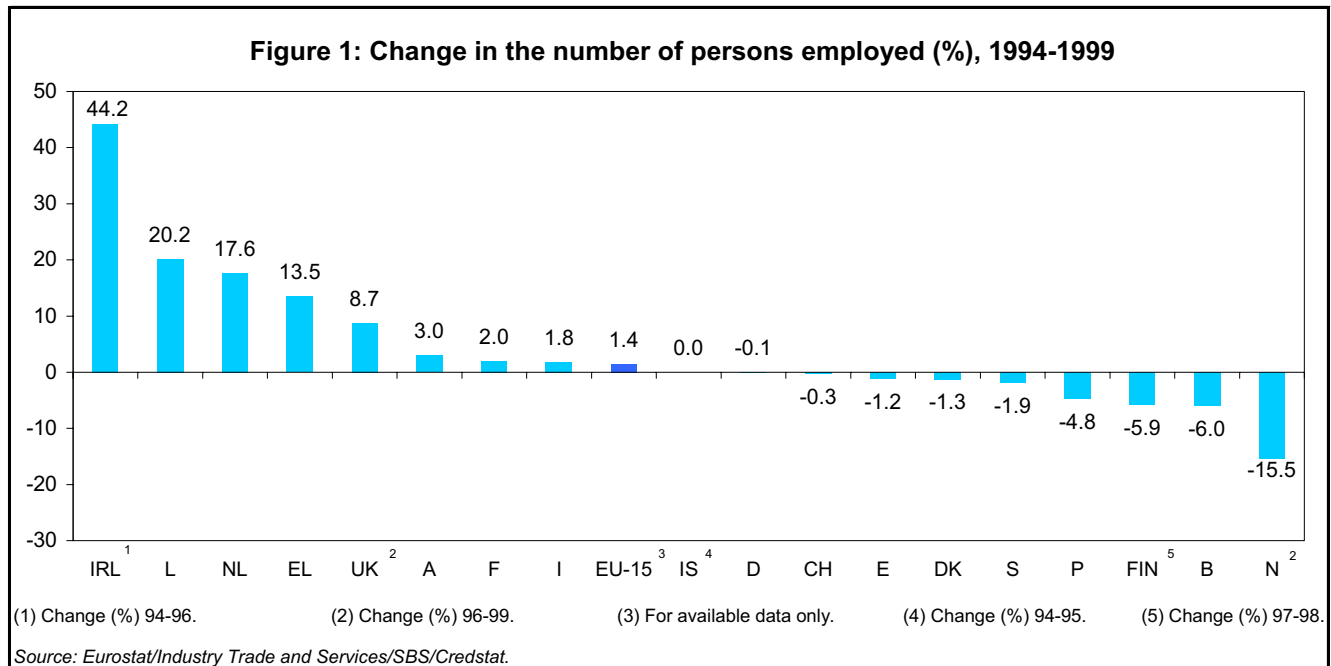
## *CHAPTER 5*

# **EMPLOYMENT IN THE EUROPEAN CREDIT INSTITUTIONS**



## Stable employment...

The number of persons employed in EU credit institutions remained stable over the 1994-1999 period (1.4%, Ireland, Finland and the United Kingdom excluded). Half of the Member States recorded a decline of the employment in banking sector and the strongest drop was observed in Belgium (-6%). On the opposite, the number of persons employed strongly rose in Luxembourg (20.2%), the Netherlands (17.6%) and Greece (13.5%).



The share of employment in banking in the total EU employment fell from 1.90% in 1994 to 1.81% in 1999. However this EU average covers various national situations. Whereas employment in banking represented 1.16% of the Swedish total employment in 1999, Luxembourg recorded 12.11% of its labour force working in the banking sector. Three other countries are above the EU average: Belgium (1.85%), Austria (1.99%) and Germany (2.1%).

On average, in the EU a credit institution employed 342 persons in 1999, which represented a 21.8% growth compared to 1994. As regards this indicator, high discrepancies also exist depending on the countries. A Greek credit institution employed on average 1 359 persons, while Luxembourg (101) and Austria (84) are at the other end of the line.

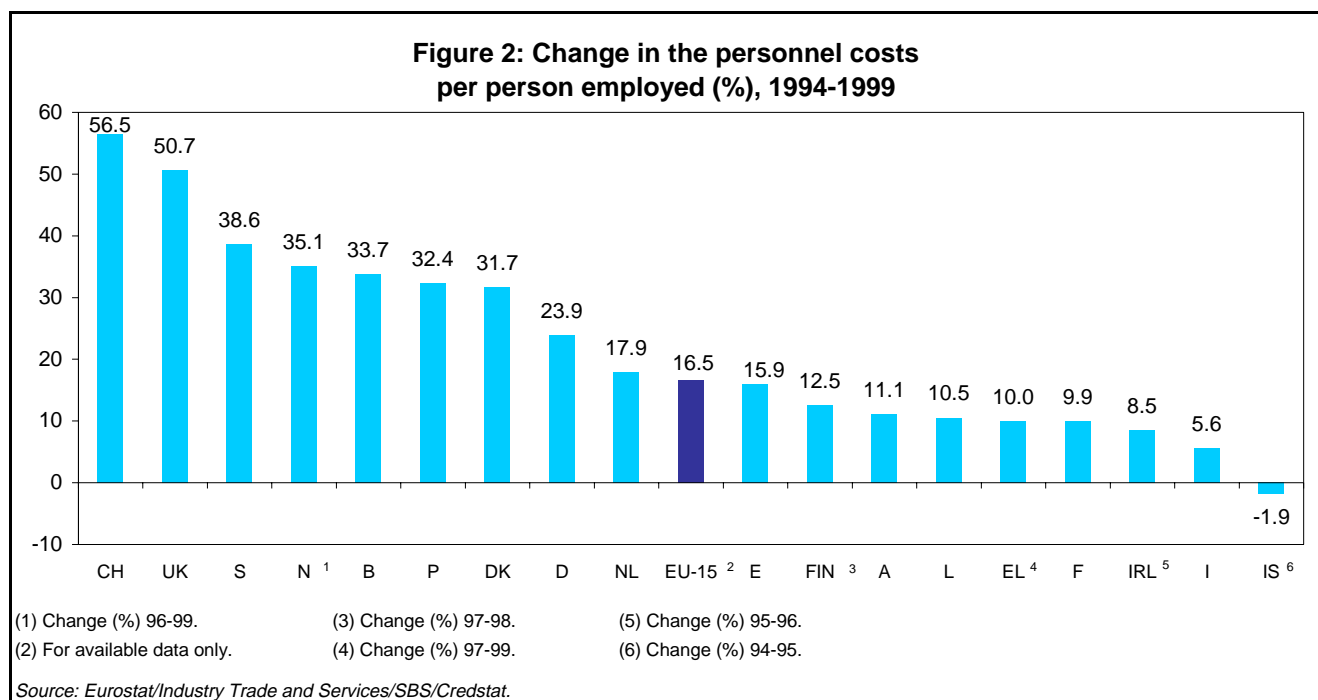
However Luxembourg recorded the highest number of persons employed per local unit. The average number of persons employed per local unit dropped by 5% over the period (Germany, Ireland, Luxembourg, Finland, Sweden and the United Kingdom excluded). While Portugal and Greece experienced the most drastic falls, -31.9% and -25.3% respectively, the Netherlands registered a 25.2% growth.

## ...And increasing personnel costs<sup>1</sup>

While the number of persons employed grew slightly between 1994 and 1999, the personnel costs increased by 23.1% over the same period (Greece, Ireland and Finland excluded). Personnel costs rose in all Member States: 7.5% in Italy, between 10% and 15% in France, Austria and Spain, between 20% and 30% in Germany, Belgium and Portugal, and more than 30% in Denmark, Luxembourg, the Netherlands, Sweden and the United Kingdom.

<sup>1</sup> One should however take into account that in some countries the personnel costs are defined more broadly than in others.

The personnel costs per person employed increased by 17% over the 1994-1999 period (Greece, Ireland, Finland and the United Kingdom excluded). Average EU-15 personnel costs amounted to 50 395 euro in 1999. All European countries experienced a growth of the average personnel costs. The lowest personnel costs per person employed were observed in Portugal (32 647 euro), the highest in Switzerland (108 662 euro) followed by Belgium (71 909 euro) and Luxembourg (69 491 euro). Swiss banks recorded the strongest growth of average personnel costs (56.5%) during the reference period, then came Sweden (38.6%), Belgium (33.7%), Portugal (32.4%) and Denmark (31.7%). A more limited increase was registered in Italy (5.6%).



The indicator 'personnel costs in percentage of value added at factor cost' assesses the share of the value added that recompenses the labour factor. Over the past few years, this share has dramatically decreased in Greece (34.2% in 1999 compared to 52% in 1997) and in Belgium (49.1% in 1999 compared to 59.6% in 1994). On the opposite, notable increases have been observed in Denmark (to 48.1% in 1999 from 36.3% in 1995) and in Austria (to 57.9% in 1999 from 50.9% in 1997).

## Increasing productivity

Value added at factor cost per person employed is a measure of the apparent labour productivity and is an alternative indicator to the production value per person employed, since in some countries credit institutions work with independent bank agents, which would give a distorted comparison between countries.

The EU-15 average labour productivity recorded a 15.2% growth over the 1994-1999 period (Germany, Greece, Ireland, Luxembourg, Austria, Finland and the United Kingdom excluded), amounting to euro 109 989 in 1999. The highest productivity was observed in Luxembourg (248 950 euro), followed by Switzerland (245 420 euro). Belgium (62.1%) and Sweden (57.2%) have recorded dramatic increases, while the average value added at factor cost dropped in Denmark (-6.3% between 1995 and 1999) and Austria (-6.4%, between 1997 and 1999).

The profitability per capita given by the profit for the financial year per person employed has also been positively affected by the good performance of the European banking sector over the past few years. During the 1997-1999 period, the average profitability (Ireland and Finland excluded) grew by 74.5% and reached 29 873 euro in 1999. Only Denmark recorded a decrease (-9.5%). The profit for the financial year per person employed increased from 4.5% in Luxembourg (but dropped by 21.8% between 1998 and 1999) to 97.8% in France. Considerable growths were recorded in the United Kingdom (161.8%), Greece (345.9%) and Italy (644.9%).

Since the information on individual variables may be missing for one or some countries depending on the reference years, changes (%) and analytical ratios for the aggregates (EU-15, EUR-11, EEA) have been calculated based only on countries that have provided the data needed for the calculations, which explains that changes (%) do not necessarily correspond to the evolutions that may be calculated using data for EU-15 aggregate included in the table.

## STRUCTURE OF EMPLOYMENT IN EUROPEAN CREDIT INSTITUTIONS

Table 1.1: Number of persons employed, 1994-1999

	1994	1995	1996	1997	1998	1999	Change (%) 94-99	Annual average change (%)
<b>EU-15<sup>1</sup></b>	<b>2 273 145</b>	<b>2 274 056</b>	<b>2 693 749</b>	<b>2 708 050</b>	<b>2 727 458</b>	<b>2 728 146</b>	<b>1.4</b>	<b>0.3</b>
<b>EUR-11<sup>1</sup></b>	<b>2 127 623</b>	<b>2 128 139</b>	<b>2 106 593</b>	<b>2 104 639</b>	<b>2 113 964</b>	<b>2 096 200</b>	<b>1.3</b>	<b>0.3</b>
B <sup>2</sup>	78 589	78 447	78 535	78 085	73 820	73 878	-6.0	-1.2
DK <sup>3</sup>	48 616	46 563	43 629	46 965	47 536	48 008	-1.3	-0.3
D	758 250	757 800	750 100	751 925	751 517	757 495	-0.1	0.0
EL	49 090	51 525	53 025	53 587	54 787	55 718	13.5	2.6
E <sup>4</sup>	251 078	249 023	246 800	247 361	247 685	248 084	-1.2	-0.2
F	382 573	381 699	377 875	378 321	393 380	390 251	2.0	0.4
IRL	22 400	33 300	32 300	:	:	:	44.2 <sup>5</sup>	20.1 <sup>5</sup>
I	338 937	337 893	331 136	350 842	345 651	345 161	1.8	0.4
L	17 638	18 255	18 582	19 135	19 814	21 197	20.2	3.7
NL	107 100	105 000	107 700	113 200	121 000	126 000	17.6	3.3
A <sup>6</sup>	70 883	70 517	70 909	74 673	73 814	73 021	3.0	0.6
P	64 175	64 447	64 727	63 178	61 004	61 113	-4.8	-1.0
FIN <sup>7</sup>	36 000 <sup>8</sup>	31 758 <sup>8</sup>	27 929 <sup>8</sup>	27 919	26 279	:	-5.9 <sup>9</sup>	-5.9 <sup>9</sup>
S <sup>10</sup>	47 816	47 829	47 702	47 437	47 248 <sup>6</sup>	46 916 <sup>6</sup>	-1.9	-0.4
UK	:	:	442 800	455 422	463 923	481 304	8.7 <sup>11</sup>	2.8 <sup>11</sup>
IS <sup>12</sup>	3 923 <sup>8</sup>	3 923 <sup>8</sup>	:	:	:	:	0.0 <sup>13</sup>	0.0 <sup>13</sup>
N <sup>12</sup>	24 057 <sup>8</sup>	25 012 <sup>8</sup>	30 246	26 057	25 706	25 568	-15.5 <sup>11</sup>	-5.4 <sup>11</sup>
<b>EEA<sup>1</sup></b>	<b>2 301 125</b>	<b>2 302 991</b>	<b>2 723 995</b>	<b>2 734 107</b>	<b>2 753 164</b>	<b>2 753 714</b>	<b>1.4</b>	<b>0.3</b>
CH	121 344	120 692	120 578	120 565	119 668	120 986	-0.3	-0.1

(1) For available data only.

(2) From 1996, including persons employed in local units of Belgian credit institutions and non-EU branches established in Belgium as well as persons employed in local units of Belgian credit institutions abroad.

(3) The number of persons employed for Specialised credit granting institutions and a few other institutions is only available in full-time equivalent units before 1999. For comparability sake, the number of employees in licensed banks has been added.

(4) From 1998, total business.

(5) Change (%) 94-96.

(6) Number of employees in full-time equivalent units.

(7) From 95 to 97, including representative offices and subsidiaries.

(8) Nace Rev.1 class 65.22 not available.

(9) Change (%) 97-98.

(10) The number of credit institutions do not cover all the credit institutions active in Sweden. Some small entities do not report data on the number of persons they employ.

(11) Change (%) 96-99.

(12) Man-years.

(13) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 1.2: Employment in the banking sector as a % of total employment <sup>1</sup>, 1994-1999

	1994	1995	1996	1997	1998	1999
<b>EU-15<sup>2</sup></b>	<b>1.90</b>	<b>1.86</b>	<b>1.81</b>	<b>1.83</b>	<b>1.81</b>	<b>1.81</b>
<b>EUR-11<sup>2</sup></b>	<b>1.92</b>	<b>1.91</b>	<b>1.88</b>	<b>1.89</b>	<b>1.87</b>	<b>1.85</b>
B	2.10	2.07	2.07	2.03	1.91	1.85
DK	1.93	1.79	1.67	1.76	1.78	1.78
D	2.12	2.12	2.11	2.13	2.11	2.10
EL	1.30	1.35	1.37	1.39	1.38	1.41
E	2.14	2.07	2.00	1.95	1.88	1.80
F	1.76	1.73	1.70	1.71	1.75	1.72
IRL	1.86	2.65	2.48	-	-	-
I	1.69	1.69	1.65	1.75	1.70	1.67
L	10.75	11.34	11.26	11.32	11.66	12.11
NL	1.63	1.60	1.65	1.67	1.72	1.75
A	-	1.92	1.96	2.07	2.04	1.99
P	1.45	1.46	1.46	1.40	1.28	1.27
FIN	-	1.58	1.37	1.32	1.21	-
S	-	1.16	1.20	1.21	1.20	1.16
UK	-	-	1.70	1.72	1.73	1.76
IS	-	2.80	-	-	-	-
N	-	1.23	-	1.20	1.15	1.14
<b>EEA<sup>2</sup></b>	<b>1.90</b>	<b>1.85</b>	<b>1.81</b>	<b>1.82</b>	<b>1.80</b>	<b>1.80</b>
CH	-	-	3.32	3.32	3.26	3.25

(1) Figures on Employment come from Eurostat/Labour Force Survey/Employment.

(2) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 1.3: Number of persons employed per credit institution, 1994-1999

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>243</b>	<b>251</b>	<b>288</b>	<b>297</b>	<b>310</b>	<b>342</b>	<b>21.8</b>
<b>EUR-11<sup>1</sup></b>	<b>239</b>	<b>248</b>	<b>254</b>	<b>259</b>	<b>271</b>	<b>298</b>	<b>22.5</b>
B	644	654	677	716	777	830	28.9
DK	234	228	215	230	236	239	2.2
D	203	208	212	217	228	248	22.2
EL	1 259	1 321	1 293	1 374	1 274	1 359	8.0
E	492	492	539	595	613	641	30.2
F	272	304	313	298	325	340	24.8
IRL	574	694	659	-	-	-	14.8 <sup>2</sup>
I	338	348	353	375	375	394	16.5
L	79	83	84	89	95	101	27.0
NL	619	603	626	670	747	746	20.4
A	70	70	72	78	80	84	20.5
P	213	226	235	272	270	279	31.3
FIN	101	91	80	76	73	-	-4.6 <sup>3</sup>
S	201	200	194	226	225	221	10.2
UK	-	-	799	851	884	978	22.4 <sup>4</sup>
IS	35	35	-	-	-	-	-0.9 <sup>5</sup>
N	155	163	140	120	117	118	-15.5 <sup>4</sup>
<b>EEA<sup>1</sup></b>	<b>239</b>	<b>247</b>	<b>285</b>	<b>293</b>	<b>306</b>	<b>336</b>	<b>21.8</b>
CH	284	289	296	302	314	321	13.2

(1) For available data only.

(3) Change (%) 97-98.

(5) Change (%) 94-95.

(2) Change (%) 94-96.

(4) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 1.4: Number of persons employed per local unit, 1994-1999

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>13</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>-5.0</b>
<b>EUR-11<sup>1</sup></b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>-4.7</b>
B	12	12	12	13	13	13	9.8
DK	22	21	20	22	22	21	-5.0
D	14 II	11	11	11	12	12	16.2 <sup>2</sup>
EL	30	27	27	24	23	23	-25.3
E	7	7	7	7	6	6	-9.2
F	15	15	15	15	15	15	0.1
IRL	17	26	21	-	-	-	26.1 <sup>3</sup>
I	15	14	14	14	13	13	-13.3
L	28	30	31	34 II	69	68	-0.3 <sup>4</sup>
NL	15	16	16	16	18	18	25.2
A	12	12	12	13	13	14	9.6
P	16	15	14	13	12	11	-31.9
FIN	16	17	16	13	13	-	6.7 <sup>5</sup>
S	-	-	-	17	20	20	17.9 <sup>6</sup>
UK	-	-	27	28	29	31	14.5 <sup>7</sup>
IS	35	35	-	-	-	-	-0.9 <sup>8</sup>
N	15	16	18	14	14	14	-18.8 <sup>7</sup>
<b>EEA<sup>1</sup></b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>-5.0</b>
CH	31	32	33	35	37	41	29.0

(1) For available data only.

(3) Change (%) 94-96.

(5) Change (%) 97-98.

(7) Change (%) 96-99.

(2) Change (%) 95-99.

(4) Change (%) 98-99.

(6) Change (%) 97-99. Refers only to licensed banks.

(8) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 2.1: Number of persons employed in licensed banks, 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>1 560 857</b>	<b>1 565 944</b>	<b>1 564 965</b>	<b>2.0</b>
<b>EUR-11<sup>1</sup></b>	<b>966 029</b>	<b>960 491</b>	<b>941 400</b>	<b>0.2</b>
B	78 085	73 820	73 878	-5.4
DK	42 618	43 212	43 321	1.6
D	:	:	:	-
EL	53 587	54 787	55 718	4.0
E	242 155	242 268	242 591	0.2
F	:	:	:	-
IRL	:	:	:	-
I	349 299	344 042	343 600	-1.6
L	19 135	19 814	21 197	10.8
NL	113 200	121 000	126 000	11.3
A	74 673	73 814	73 021	-2.2
P	63 178	61 004	61 113	-3.3
FIN	26 304	24 729	:	-6.0 <sup>2</sup>
S <sup>3</sup>	43 201	43 531	43 222	0.0
UK	455 422	463 923	481 304	5.7
IS	:	:	:	-
N	24 395	23 981	23 475	-3.8
<b>EEA<sup>1</sup></b>	<b>1 585 252</b>	<b>1 589 925</b>	<b>1 588 440</b>	<b>1.9</b>
CH	120 565	119 668	120 986	0.3

(1) For available data only.

(2) Change (%) 97-98.

(3) From 1998, number of employees in full-time equivalent units.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 2.2: Number of persons employed in specialised credit granting institutions, 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>11 479</b>	<b>10 872</b>	<b>11 193</b>	<b>-2.5</b>
<b>EUR-11<sup>1</sup></b>	<b>4 936</b>	<b>5 154</b>	<b>5 229</b>	<b>5.9</b>
B	0	0	0	-
DK	4 347	4 324 <sup>2</sup>	4 687	7.8
D	:	:	:	-
EL	0	0	0	-
E	4 936	5 154	5 229	5.9
F	:	:	:	-
IRL	:	:	:	-
I	0	0	0	-
L	0	0	0	-
NL	0	0	0	-
A	0	0	0	-
P	0	0	0	-
FIN	0	0	:	-
S <sup>3</sup>	2 196	1 394	1 277	-41.8
UK	0	0	0	-
IS	:	:	:	-
N <sup>4</sup>	1 662	1 725	2 093	25.9
<b>EEA<sup>1</sup></b>	<b>13 141</b>	<b>12 597</b>	<b>13 286</b>	<b>1.1</b>
CH	0	0	0	-

(1) For available data only.

(3) From 1998, number of employees in full-time equivalent units.

(2) Figure in full-time equivalent units.

(4) Only finance companies and mortgage companies.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 2.3: Number of persons employed in other credit institutions, 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>5 468</b>	<b>5 745</b>	<b>4 242</b>	<b>10.1</b>
<b>EUR-11<sup>1</sup></b>	<b>3 428</b>	<b>3 422</b>	<b>1 825</b>	<b>0.7</b>
B	0	0	0	-
DK	0	0	0	-
D	:	:	:	-
EL	0	0	0	-
E	270	263	264	-2.2
F	:	:	:	-
IRL	:	:	:	-
I	1 543	1 609	1 561	1.2
L	0	0	0	-
NL	0	0	0	-
A	0	0	0	-
P	0	0	0	-
FIN	1 615	1 550	:	-4.0 <sup>2</sup>
S <sup>3</sup>	2 040	2 323	2 417	18.5
UK	0	0	0	-
IS	:	:	:	-
N	0	0	0	-
<b>EEA<sup>1</sup></b>	<b>5 468</b>	<b>5 745</b>	<b>4 242</b>	<b>10.1</b>
CH	0	0	0	-

(1) For available data only.

(2) Change (%) 97-98.

(3) From 1998, number of employees in full-time equivalent units.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 2.4: Breakdown by categories of credit institutions in % of number of persons employed, 1999**

	Licensed banks	Specialised credit granting institutions	Other credit institutions
<b>EU-15<sup>1</sup></b>	<b>99.0</b>	<b>0.7</b>	<b>0.3</b>
<b>EUR-11<sup>1</sup></b>	<b>99.3</b>	<b>0.6</b>	<b>0.2</b>
B	100.0	0.0	0.0
DK	90.2	9.8	0.0
D	-	-	-
EL	100.0	0.0	0.0
E	97.8	2.1	0.1
F	-	-	-
IRL	-	-	-
I	99.5	0.0	0.5
L	100.0	0.0	0.0
NL	100.0	0.0	0.0
A	100.0	0.0	0.0
P	100.0	0.0	0.0
FIN	-	-	-
S <sup>2</sup>	92.1	2.7	5.2
UK	100.0	0.0	0.0
IS	-	-	-
N	91.8	8.2 <sup>3</sup>	0.0
<b>EEA<sup>1</sup></b>	<b>98.9</b>	<b>0.8</b>	<b>0.3</b>
CH	100.0	0.0	0.0

(1) For available data only.

(3) Only finance companies and mortgage companies.

(2) Number of employees in full-time equivalent units.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## FINANCIAL INDICATORS AND RATIOS ON EMPLOYMENT

**Table 3.1: Personnel costs (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>111 166</b>	<b>114 847</b>	<b>119 930</b>	<b>125 524</b>	<b>129 936</b>	<b>137 486</b>	<b>23.1</b>
<b>EUR-11<sup>1</sup></b>	<b>95 908</b>	<b>100 232</b>	<b>104 033</b>	<b>104 886</b>	<b>106 554</b>	<b>111 639</b>	<b>17.7</b>
B <sup>2</sup>	4 226	4 386	4 504	4 556	4 665	5 313	25.7
DK	1 974	2 005	1 963	2 211	2 378	2 567	30.1
D	31 806	34 761	34 957	35 394	36 891	39 370	23.8
EL	:	:	:	1 719	1 722	1 966	14.3 <sup>3</sup>
E	9 848	9 865	10 383	10 536	10 852	11 282	14.6
F	19 491	20 033	20 400	20 239	20 594	21 852	12.1
IRL	:	1 306	1 374	:	:	:	5.2 <sup>4</sup>
I	18 773	17 372	19 713	21 343	20 219	20 190	7.5
L	1 109	1 186	1 237	1 227	1 275	1 473	32.8
NL	4 239	4 368	4 433	4 702	5 105	5 881	38.7
A <sup>5</sup>	3 742	4 103	4 159	4 116	4 182	4 283	14.5
P	1 583	1 715	1 823	1 922	1 872	1 995	26.1
FIN	1 092 <sup>6</sup>	1 137 <sup>6</sup>	1 050 <sup>6</sup>	850	899	:	5.9 <sup>7</sup>
S	1 903	2 180	2 498	2 656	2 443	2 588	36.0
UK	11 382	10 430	11 435	14 052	16 840	18 725	64.5
IS	96 <sup>6</sup>	94 <sup>6</sup>	:	:	:	:	-1.9 <sup>8</sup>
N	946 <sup>6</sup>	1 031 <sup>6</sup>	1 234	1 327	1 299	1 410	14.2 <sup>9</sup>
<b>EEA<sup>1</sup></b>	<b>112 208</b>	<b>115 972</b>	<b>121 164</b>	<b>126 851</b>	<b>131 236</b>	<b>138 895</b>	<b>23.1</b>
CH	8 424	9 198	9 915	10 524	10 240	13 147	56.1

(1) For available data only.

(2) In 1998 and 1999, including other personnel costs as well as pensions paid directly by the employers to their employees.

(3) Change (%) 97-99.

(4) Change (%) 95-96.

(5) From 1994 to 1996, the data are not harmonised with regards to definitions and classifications.

(6) Nace Rev.1 class 65.22 not available.

(7) Change (%) 97-98.

(8) Change (%) 94-95.

(9) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 3.2: Personnel costs per credit institution (Mio of ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>11.3</b>	<b>12.0</b>	<b>12.9</b>	<b>13.8</b>	<b>14.8</b>	<b>17.3</b>	<b>47.6</b>
<b>EUR-11<sup>1</sup></b>	<b>10.8</b>	<b>11.7</b>	<b>12.5</b>	<b>12.9</b>	<b>13.6</b>	<b>15.9</b>	<b>42.3</b>
B	34.6	36.5	38.8	41.8	49.1	59.7	72.3
DK	9.5	9.8	9.7	10.8	11.8	12.8	34.6
D	8.5	9.5	9.9	10.2	11.2	12.9	51.4
EL	-	-	-	44.1	40.0	47.9	8.8 <sup>2</sup>
E	19.3	19.5	22.7	25.3	26.9	29.2	51.0
F	13.9	16.0	16.9	15.9	17.0	19.0	37.1
IRL	-	27.2	28.0	-	-	-	3.1 <sup>3</sup>
I	18.7	17.9	21.0	22.8	22.0	23.0	23.0
L	5.0	5.4	5.6	5.7	6.1	7.0	40.4
NL	24.5	25.1	25.8	27.8	31.5	34.8	42.0
A	3.7	4.1	4.2	4.3	4.5	4.9	33.9
P	5.2	6.0	6.6	8.3	8.3	9.1	73.8
FIN	3.0	3.3	3.0	2.3	2.5	-	7.3 <sup>4</sup>
S	8.0	9.1	10.2	12.6	11.6	12.2	52.7
UK	20.1	18.6	20.6	26.3	32.1	38.1	89.6
IS	0.9	0.8	-	-	-	-	-2.7 <sup>5</sup>
N	6.1	6.7	5.7	6.1	5.9	6.5	14.2 <sup>6</sup>
<b>EEA<sup>1</sup></b>	<b>11.1</b>	<b>11.8</b>	<b>12.7</b>	<b>13.6</b>	<b>14.6</b>	<b>17.0</b>	<b>47.6</b>
CH	19.7	22.0	24.3	26.4	26.9	34.9	77.2

(1) For available data only.

(3) Change (%) 95-96.

(5) Change (%) 94-95.

(2) Change (%) 97-99.

(4) Change (%) 97-98.

(6) Change (%) 96-99.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.



**Table 3.3: Personnel costs per person employed (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>43 897</b>	<b>45 917</b>	<b>44 522</b>	<b>46 352</b>	<b>47 640</b>	<b>50 395</b>	<b>17.0</b>
<b>EUR-11<sup>1</sup></b>	<b>45 557</b>	<b>47 099</b>	<b>49 384</b>	<b>49 836</b>	<b>50 405</b>	<b>53 258</b>	<b>16.2</b>
B <sup>2</sup>	53 777	55 904	57 345	58 342	63 195	71 909	33.7
DK	40 603	43 067	44 997	47 080	50 019	53 476	31.7
D	41 946	45 871	46 603	47 072	49 089	51 975	23.9
EL	-	-	-	32 084	31 430	35 282	10.0 <sup>3</sup>
E	39 221	39 615	42 072	42 594	43 814	45 477	15.9
F	50 946	52 485	53 986	53 498	52 350	55 995	9.9
IRL	-	39 213	42 539	-	-	-	8.5 <sup>4</sup>
I	55 389	51 413	59 531	60 834	58 494	58 494	5.6
L	62 876	64 969	66 556	64 141	64 373	69 491	10.5
NL	39 576	41 604	41 163	41 540	42 189	46 675	17.9
A	52 794	58 184	58 653	55 120	56 660	58 654	11.1
P	24 663	26 615	28 171	30 424	30 684	32 647	32.4
FIN	30 327	35 804	37 579	30 430	34 227	-	12.5 <sup>5</sup>
S	39 800	45 578	52 375	55 982	51 697	55 165	38.6
UK	-	-	25 825	30 854	36 299	38 905	50.7 <sup>6</sup>
IS	24 354	23 900	-	-	-	-	-1.9 <sup>7</sup>
N	39 343	41 203	40 813	50 933	50 546	55 130	35.1 <sup>6</sup>
<b>EEA<sup>1</sup></b>	<b>45 221</b>	<b>46 877</b>	<b>45 363</b>	<b>46 396</b>	<b>47 667</b>	<b>50 439</b>	<b>17.0</b>
CH	69 419	76 208	82 230	87 287	85 567	108 662	56.5

(1) For available data only.

(3) Change (%) 97-99.

(7) Change (%) 94-95.

(2) Personnel costs include personnel costs other than wages and salaries and social security costs as well as pensions paid directly by the employers to their employees.

(4) Change (%) 95-96.

(5) Change (%) 97-98.

(6) Change (%) 96-99.

Source: Eurostat/SBS/Credstat.

**Table 4.1: Personnel costs as a % of other expenses<sup>1</sup>, 1997-1999**

	1997	1998	1999
<b>EU-15<sup>2</sup></b>	<b>105.9</b>	<b>103.3</b>	<b>89.0</b>
<b>EUR-11<sup>2</sup></b>	<b>104.9</b>	<b>102.5</b>	<b>101.8</b>
B	183.3	169.4	166.5
DK	144.6	138.7	131.4
D	142.9	134.5	129.6
EL	204.0	190.3	112.1
E	149.7	147.1	147.4
F	103.6	101.5	101.1
IRL	-	-	-
I	62.5	60.6	58.4
L	111.7	103.3	99.1
NL	88.1	89.7	99.1
A	131.9	128.7	128.0
P	161.6	141.3	137.0
FIN	68.2	72.2	-
S	90.8	84.8	82.4
UK	-	-	49.3
IS	-	-	-
N	85.8	85.4	85.6
<b>EEA<sup>2</sup></b>	<b>105.6</b>	<b>103.1</b>	<b>89.0</b>
CH	-	-	-

(1) Other expenses = Other administrative expenses + other operating charges.

(2) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 4.2: Personnel costs as a % of value added at factor cost, 1994-1999

	1994	1995	1996	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>48.7</b>	<b>50.9</b>	<b>50.9</b>	<b>47.6</b>	<b>43.6</b>	<b>45.8</b>
<b>EUR-11<sup>1</sup></b>	<b>53.5</b>	<b>54.1</b>	<b>53.6</b>	<b>50.1</b>	<b>45.5</b>	<b>49.9</b>
B	59.6	55.2	52.4	47.6	41.8	49.1
DK	22.2	36.3	34.9	42.0	44.7	48.1
D	53.1	57.7	56.7	46.1	46.7	48.6
EL	-	-	-	52.0	48.8	34.2
E	52.5	52.8	51.0	51.7	37.6	52.5
F	55.6	53.4	56.5	54.4	51.1	51.9
IRL	-	-	-	-	-	-
I	54.9	53.3	52.7	63.8	50.5	54.4
L	-	-	-	26.0	22.6	27.9
NL	43.4	41.1	39.3	38.8	40.4	42.2
A	-	-	-	50.9	49.0	57.9
P	44.9	45.2	43.6	40.7	35.1	42.0
FIN	62.2	63.6	50.8	33.8	31.9	-
S	42.3	45.8	50.1	37.7	31.1	37.3
UK	32.8	35.5	38.1	36.5	35.9	32.2
IS	42.2	42.2	-	-	-	-
N	41.9	45.1	41.2	43.4	42.2	36.0
<b>EEA<sup>1</sup></b>	<b>48.7</b>	<b>50.8</b>	<b>50.8</b>	<b>47.6</b>	<b>43.6</b>	<b>45.7</b>
CH	45.7	45.3	47.3	44.4	41.5	44.3

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 4.3: Personnel costs as a % of net interest and net commission income, 1997-1999

	1997	1998	1999
<b>EU-15<sup>1</sup></b>	<b>41.2</b>	<b>40.8</b>	<b>40.1</b>
<b>EUR-11<sup>1</sup></b>	<b>46.0</b>	<b>43.4</b>	<b>43.4</b>
B	50.5	47.5	48.6
DK	42.8	36.8	37.6
D	41.9	43.5	44.4
EL	54.1	53.5	44.6
E	71.4	44.7	44.3
F	56.0	57.4	54.8
IRL	-	-	-
I	43.7	37.2	35.5
L	26.9	26.6	27.0
NL	33.7	33.6	35.7
A	48.4	48.9	50.1
P	42.2	37.9	38.5
FIN	28.0	28.3	-
S	33.2	34.1	35.3
UK	23.1	30.2	27.9
IS	-	-	-
N	34.0	34.5	32.4
<b>EEA<sup>1</sup></b>	<b>41.1</b>	<b>40.7</b>	<b>40.0</b>
CH	45.6	40.8	48.8

(1) For available data only.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.1: Balance sheet total per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>6 359 711</b>	<b>6 845 227</b>	<b>7 431 131</b>	<b>16.5</b>
<b>EUR-11<sup>1</sup></b>	<b>6 094 510</b>	<b>6 517 439</b>	<b>7 218 470</b>	<b>18.0</b>
B	8 505 958	9 212 210	9 912 535	16.5
DK	6 868 141	7 527 792	8 009 788	16.6
D	7 059 217	7 858 889	8 572 361	21.4
EL	2 011 887	1 986 620	2 391 626	18.9
E	3 425 544	3 650 851	4 055 703	18.4
F	6 477 074	6 356 327	7 325 027	13.1
IRL	-	-	-	-
I	4 482 169	4 641 035	4 978 417	11.1
L	26 867 442	27 109 518	28 233 193	5.1
NL	6 092 738	6 335 064	7 181 446	17.9
A	5 766 442	6 395 510	7 065 598	22.5
P	3 551 299	4 669 570	4 960 483	39.7
FIN	4 494 950	4 641 503	-	3.3 <sup>2</sup>
S	9 015 018	7 838 409	8 376 893	-7.1
UK	7 767 853	8 741 555	8 790 813	13.2
IS	-	-	-	-
N	6 336 978	6 787 700	7 609 270	20.1
<b>EEA<sup>1</sup></b>	<b>6 359 494</b>	<b>6 844 690</b>	<b>7 432 785</b>	<b>16.5</b>
CH	9 232 241	10 886 861	11 915 908	29.1

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.2: Value added at factor cost per person employed (ECU (94-98) / euro (99)), 1994-1999**

	1994	1995	1996	1997	1998	1999	Change (%) 94-99
<b>EU-15<sup>1</sup></b>	<b>86 820</b>	<b>87 357</b>	<b>88 205</b>	<b>97 335</b>	<b>109 226</b>	<b>109 989</b>	<b>15.2</b>
<b>EUR-11<sup>1</sup></b>	<b>84 330</b>	<b>86 341</b>	<b>91 488</b>	<b>99 533</b>	<b>110 865</b>	<b>106 794</b>	<b>18.0</b>
B	90 301	101 304	109 477	122 442	151 120	146 399	62.1
DK	182 952	118 558	128 846	112 167	111 816	111 100	-6.3 <sup>2</sup>
D	79 032	79 525	82 187	102 013	105 201	106 883	4.8 <sup>3</sup>
EL	-	-	-	61 697	64 342	103 237	67.3 <sup>3</sup>
E	74 704	74 978	82 479	82 441	116 571	86 636	16.0
F	91 692	98 277	95 468	98 335	102 481	107 902	17.7
IRL	-	-	-	-	-	-	-
I	100 840	96 507	112 872	95 392	115 745	107 538	6.6
L	-	-	-	246 759	284 388	248 950	0.9 <sup>3</sup>
NL	91 088	101 136	104 752	106 963	104 330	110 589	21.4
A	-	-	-	108 288	115 595	101 368	-6.4 <sup>3</sup>
P	54 887	58 917	64 682	74 707	87 542	77 720	41.6
FIN	-	56 252	73 906	90 126	107 407	-	19.2 <sup>4</sup>
S	94 107	99 584	104 577	148 548	166 289	147 931	57.2
UK	-	-	67 723	84 504	100 984	120 879	78.5 <sup>5</sup>
IS	57 732	56 655	-	-	-	-	-1.9 <sup>6</sup>
N	93 950	91 265	98 958	117 387	119 863	152 927	54.5 <sup>5</sup>
<b>EEA<sup>1</sup></b>	<b>86 847</b>	<b>87 346</b>	<b>88 333</b>	<b>97 526</b>	<b>109 326</b>	<b>110 388</b>	<b>15.2</b>
CH	151 940	168 209	173 754	196 424	206 280	245 420	61.5

(1) For available data only.

(3) Change (%) 97-99.

(5) Change (%) 96-99.

(2) Change (%) 95-99.

(4) Change (%) 97-98.

(6) Change (%) 94-95.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 5.3: Profit for the financial year per person employed (ECU (97-98) / euro (99)), 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>17 299</b>	<b>26 917</b>	<b>29 873</b>	<b>74.5</b>
<b>EUR-11<sup>1</sup></b>	<b>17 106</b>	<b>26 335</b>	<b>26 783</b>	<b>58.8</b>
B	25 514	28 343	39 121	53.3
DK	50 187	47 993	45 422	-9.5
D	14 563	24 247	16 638	14.2
EL	11 513	13 408	51 342	345.9
E	25 756	27 014	29 059	12.8
F	14 783	26 631	29 245	97.8
IRL	-	-	-	-
I	3 815	21 244	28 413	644.9
L	92 238	123 227	96 382	4.5
NL	39 666	36 901	53 705	35.4
A	16 602	20 478	24 349	46.7
P	20 516	23 783	26 704	30.2
FIN	34 596	37 185	-	7.5 <sup>2</sup>
S	34 112	60 421	64 204	88.2
UK	13 730	25 592	35 950	161.8
IS	-	-	-	-
N	47 712	42 822	67 281	41.0
<b>EEA<sup>1</sup></b>	<b>17 589</b>	<b>27 065</b>	<b>30 221</b>	<b>73.5</b>
CH	20 912	74 037	66 724	219.1

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

Table 5.4: Interest and commission received per person employed (ECU (97-98) / euro (99)), 1997-1999

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>397 790</b>	<b>426 244</b>	<b>417 255</b>	<b>4.5</b>
<b>EUR-11<sup>1</sup></b>	<b>373 887</b>	<b>392 226</b>	<b>394 663</b>	<b>5.0</b>
B	717 659	785 056	806 064	12.3
DK	421 885	472 879	465 492	10.3
D	399 765	432 013	448 454	12.2
EL	194 268	196 924	218 408	12.4
E	200 400	217 922	198 860	-0.8
F	417 267	416 642	423 230	1.4
IRL	-	-	-	-
I	289 405	279 077	247 567	-14.5
L	1 845 549	2 011 028	1 886 918	2.2
NL	367 500	388 551	397 666	8.2
A	331 840	344 122	344 586	3.8
P	205 488	216 468	209 854	2.1
FIN	237 152	256 020	-	8.0 <sup>2</sup>
S	643 780	531 031	488 953	-24.0
UK	504 090	592 888	526 867	4.5
IS	-	-	-	-
N	384 013	444 506	544 191	41.7
<b>EEA<sup>1</sup></b>	<b>397 658</b>	<b>426 415</b>	<b>418 433</b>	<b>4.8</b>
CH	447 225	480 157	478 311	7.0

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

**Table 5.5: Net interest and net commission income per person employed (ECU (97-98) / euro (99)), 1997-1999**

	1997	1998	1999	Change (%) 97-99
<b>EU-15<sup>1</sup></b>	<b>112 603</b>	<b>116 721</b>	<b>125 779</b>	<b>11.7</b>
<b>EUR-11<sup>1</sup></b>	<b>108 236</b>	<b>116 257</b>	<b>122 776</b>	<b>13.4</b>
B	115 453	133 104	148 001	28.2
DK	109 967	136 028	142 179	29.3
D	112 332	112 825	116 967	4.1
EL	59 329	58 780	79 044	33.2
E	59 617	98 004	102 606	72.1
F	95 574	91 139	102 152	6.9
IRL	-	-	-	-
I	139 143	157 304	164 665	18.3
L	238 158	241 922	257 065	7.9
NL	123 170	125 575	130 858	6.2
A	113 955	115 784	117 035	2.7
P	72 027	80 890	84 894	17.9
FIN	108 739	121 039	-	11.3 <sup>2</sup>
S	168 602	151 524	156 377	-7.3
UK	133 490	120 152	139 649	4.6
IS	-	-	-	-
N	149 870	146 427	170 086	13.5
<b>EEA<sup>1</sup></b>	<b>112 958</b>	<b>116 998</b>	<b>126 190</b>	<b>11.7</b>
CH	191 248	209 752	222 571	16.4

(1) For available data only.

(2) Change (%) 97-98.

Source: Eurostat/Industry Trade and Services/SBS/Credstat.

## *CHAPTER 6*

# **STRUCTURE OF EUROPEAN HOUSEHOLDS' SAVINGS**

**Contribution of L'Observatoire  
de l'Espagne Européenne**

The financial wealth of private individuals can be invested in any of several major categories of products. It may be used to:

- finance the public-sector deficit;
- finance businesses ("non-financial corporate enterprises"), either by means of equity (shares) or in debt securities (bonds, commercial papers);
- make foreign investments;
- invest in intermediated products (banking products, UCITS (undertaking for collective investment in transferable securities), pension funds, life insurance).

A study conducted by MODEM (University of Paris X Nanterre) and GEAPE (University of Angers) for the European Savings Institute analyses the role played in private asset ownership by intermediation in all its forms. It then investigates the initial allocation of household savings amongst the four product categories listed above. Next it analyses the final destination of savings, bearing in mind that UCITS, pension funds and life insurance are themselves invested in the other categories of products. In this second section we examine the market intermediation mechanisms, but not the "banking" products listed on the liabilities side of credit institutions, since their asset allocation is not directly linked to clients' deposits<sup>2</sup>.

The study analyses the financial assets of households in Austria, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom. The data reproduced in this note refer to 1999.

### The weight of intermediation

In all of the countries studied, intermediated investments outnumber "direct" holdings of financial products amongst the financial assets of households (Table 1): their share of such assets ranges from 62% in Italy to 87% in Austria. The type of intermediation differs widely from one country to the next, however.

The Netherlands and the United Kingdom favour a market intermediation model: 60% and 58% respectively of financial investments by households are in insurance companies and pension funds. Investments in banking establishments account for roughly 20% of the total, while the non-monetary intermediation circuit (mostly UCITS) plays a minor role, collecting 5% of investments on average.

The traditional intermediation circuits, i.e. the banks, dominate in most other countries. Despite this, insurance and pension funds together take a market share of around 30% in Germany and France. In these countries, however, it is often the insurance component rather than pension funds that lies behind such figures. The French, for example, appear to compensate for the lack of pension funds by investing large sums in life insurance.

The salient factor in Italy, Spain and Sweden is a very sharp increase in non-monetary financial intermediation, chiefly as UCITS. Here, 13-22% of households' financial assets are intermediated, compared with roughly a tenth in Germany and France.

This analysis of the role played by intermediation in households' financial assets highlights the weight differential of intermediation circuits, which leave direct holdings of non-intermediated financial products with no more than a small slice of the cake.

### The final destination of savings

Having shed some light on the specific role of non-monetary financial intermediaries (UCITS), insurance companies and pension funds, we arrive at the end structure of households' financial assets, where we find the first four investment categories (financing of public-sector and private-sector deficits, shareholdings, foreign investments) represented in the initial investment structure of households and a fifth, concerning only financial products listed by banks as liabilities (Table 3). A comparison of initial (Table 2) and final allocations shows up a number of common factors and disparities in the role of market intermediation as it affects the final destination of financial investments by households.

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<sup>2</sup> This study is exhaustively reviewed in the MODEM working paper "Financial wealth of households and activities of the European financial intermediaries", M. Boutilier et al., University of Paris X Nanterre, 2001.

### Public debt financing

Other than in Italy, public debt financing accounts for less than 5% of direct financial investments by households (Table 2), and for 7-12% of investments if we include public-sector debt securities held via UCITS, life insurance and pension funds (Table 3). In these countries, therefore, public-sector debt securities are essentially indirect holdings.

Italy is the odd one out. Here, over 13% of financial investments by households are direct holdings of public-sector financial assets. This high proportion of public-sector debt securities in the household investment pattern is a structural characteristic of the financial portfolio of households, rewarding the strenuous efforts made by the Italian monetary authorities to channel household savings into financing the government debt by stimulating the public debt end of the bond market. After final allocation, 23% of households' financial assets go towards financing the public debt. This Italian peculiarity is almost certainly transitory, however, since public-sector debt securities are fast losing their grip on the household portfolio.

Overall, the reduction of the public debt is well in evidence in the stocks of products held by European households.

### Private debt financing

Across all countries, 5% of households' financial assets are in private-sector debt securities (Table 2). If we include indirect holdings via UCITS, insurance and pension funds, the proportions of household investments allocated to private debt financing rise to 7% in Spain, 9% in France and 15% in the Netherlands, since Netherlands pension funds, unlike their more share-oriented British counterparts, devote significant amounts to financing private debt (Table 3). In all other countries this type of financing remains at modest levels.

Private-sector debt securities are a small component of the European transferable securities markets, since public debt securities siphon off most of the funds invested. This structural weakness in holdings by households of private debt securities persists even after final allocation, since the bulk of private agents and above all the large population of innovative SMEs traditionally turn to the banks for finance via bank lending operations. The supply of private-sector debt securities is restricted by the stringent and costly terms of issue on the money and bond markets, which tend to discourage all but the largest companies from financing themselves in this way.

### Shareholdings in quoted non-financial corporate enterprises

Unquoted shares were excluded from the analysis, since the methods used by statisticians to assess them are too disparate (see André Babeau's article "Valuation methods of non-listed equities in Europe", published in Issue No 2 of the OEE's Letter).

Less than a fifth of households' financial assets are direct holdings of quoted shares in non-financial corporate enterprises, except in Finland, Sweden and Spain (Table 2). These figures tend to fluctuate widely with changes in stock exchange prices, however: for example, shares rose in 1999 as a percentage of household assets but probably fell again in 2000.

If indirect holdings via UCITS and insurance and pension fund products are included, the proportion of households' financial investments held as quoted shares remains virtually unchanged in Italy, since the exiguity of the domestic market incites mutual funds to massive investment in foreign equity (Table 3).

Conversely, the inclusion of indirect holdings boosts the proportion of quoted shares in household assets in the other countries, and above all in the United Kingdom where, despite a relatively small amount invested as direct shareholdings, over 31% of household savings are invested in shares once holdings via pension funds are taken into account.



### Foreign investments

Direct holdings of foreign financial assets by households appear to be fairly rare in general, although they account for 10% of households' financial assets in three countries: Germany, Italy and Austria (Table 2). Once indirect holdings are included, the international dimension of financial portfolios varies widely according to the country (Table 3): it is multiplied by more than a factor of two in France, Spain and Italy (11%, 12% and 25% respectively), by three in Sweden (22%), by 4.5 in the Netherlands, the most internationally-oriented country in this respect (28%), and by nine in the United Kingdom (24%).

In several countries the international dimension of households' financial portfolios is a relatively recent phenomenon, dating from the early 1990s. It was given a strong boost by the drop in income from domestic public-sector debt securities and the institutionalisation of savings management.

Legislation and tax also play a part in the internationalisation of household portfolios. In France, for example, the tax advantages offered by the *Plan d'Epargne en Actions* (Equity-Linked Savings Plan) are reserved for portfolios comprising a majority of French shares. The recent announcement of a reform of this system, which is gradually to admit non-French European shares, should have a considerable impact on foreign shareholdings by households.

### Financial investments with banks

Other than in the United Kingdom and Sweden, where they are outstripped by quoted shares in non-financial corporate enterprises, financial investments with banks are the leading final destination of household portfolios.

This factor reflects the dominance of the traditional intermediation circuits in the supply of financial investments to households, particularly the traditionally large share taken by bank deposits. This dominance is beginning to decline, however.

## Conclusion

Households' financial assets all over Europe tend to be intermediated either by banks or by market intermediaries (UCITS, life insurance, pension funds).

Once market intermediaries have been put under the microscope, analysis of the final allocation of households' financial assets divides the European countries into several groups.

In the first group, Germany, Spain and France, more than half of the financial wealth of households is still invested in claims on credit institutions held either directly (deposits etc.) or via monetary UCITS (deposit certificates). Claims on non-resident institutions are also least common in these countries.

In the United Kingdom and the Nordic countries (Finland and Sweden), household savings are most often geared towards private enterprise via the acquisition of quoted shares. In the Nordic countries this is due to direct shareholding on a larger scale than in the rest of Europe, while businesses in the United Kingdom tend to profit from this type of investment through pension funds.

Lastly, there are two exceptional countries in which over a quarter of the financial wealth of households is in foreign shareholdings. In Italy this international outlook is explained largely by the exiguity of the domestic equity market and the distribution of collective management products managed in other European countries. In the Netherlands, pension funds not only invest in national interest-rate instruments but also place a major proportion of their investments abroad.

**Table 1: Share of household investments in stocks collected by financial intermediaries (%), 1999**

	Claims on monetary financial intermediaries (MFI)	Claims on non-monetary financial intermediaries (NMFI)	Claims on insurance companies and pension funds	Share of intermediation as a % of total financial assets
D	42.33	9.38	28.49	80.20
E	42.50	13.00 *	15.00 *	73.64
F	38.37	10.70	30.97	80.04
I	30.47	21.71	9.64	61.82
NL	20.03	3.02	60.43	63.48
A	52.00 *	11.72 *	25.00 *	86.73
FIN	38.46	6.17	17.88	62.51
S	22.93	17.05	28.32	68.30
UK	18.78	7.25	57.56	83.59

\* Estimates based on the amounts of UCITS shares and technical reserves held by households.

Source: Observatoire de l'Épargne Européenne

**Table 2: Share of directly-held financial products and intermediated investments in the financial wealth of households (%), 1999**

	Public debt financing	Private debt financing	Quoted shares in non-financial corporate enterprises	Claims on the rest of the world	Intermediated investments	Total
D	3.17	0.61	5.27	10.75	80.20	100.00
E	1.26	4.02	16.14	4.93	73.64	100.00
F	3.70	3.82	7.64	4.80	80.04	100.00
I	13.22	3.14	11.60	10.22	61.82	100.00
NL	0.88	2.67	6.88	6.10	83.48	100.00
A	2.73	0.37	0.66	9.51	86.73	100.00
FIN	1.86	0.52	31.96	0.68	64.98	100.00
S	2.24	0.42	22.03	7.01	68.30	100.00
UK	3.83	2.31	7.68	2.59	83.59	100.00

Source: Observatoire de l'Épargne Européenne

**Table 3: Final allocation of the financial wealth of households after reallocation of investments by non-banking intermediaries (UCITS, life insurance, pension funds...) (%), 1999**

	Public debt financing	Private debt financing	Quoted shares in non-financial corporate enterprises	Claims on the rest of the world	Intermediated investments	Total
D	7.04	3.84	11.82	18.68	58.62	100.00
E	9.37	7.17	18.05	12.13	53.27	100.00
F	12.21	8.74	15.57	11.13	52.36	100.00
I	23.17	5.54	12.81	24.67	33.81	100.00
NL	9.26	15.42	17.83	27.62	29.87	100.00
A	-	-	-	-	-	-
FIN	6.22	4.83	38.48	7.47	43.01	100.00
S	9.37	1.48	36.89	22.29	29.96	100.00
UK	12.09	6.25	31.34	23.07	27.25	100.00

Source: Observatoire de l'Épargne Européenne

# METHODOLOGICAL NOTES

'Special Feature on Banking', Edition 2001 - 1994-1999 data presents statistics on credit institutions within the EEA (excluding Liechtenstein) and Switzerland for the reference period 1994-1999. Data on structural indicators going from 1994 to 1999 are based on the obligatory data collection of structural business statistics according to Annex 1 of Council Regulation 58/97. Statistics for the reference period 1997-1999 on demography, profit and loss account, balance sheet, internationalisation and employment of credit institutions are the results of the voluntary data collections of sector specific statistics listed in the draft European Parliament and Council Regulation amending Council Regulation No 58/97.

As the sector specific data collection on credit institutions is still voluntary and relatively recent, the data coverage and the comparability of variables may vary between the European countries. However, the quality of the data will keep on improving in the future, in particular with the adoption of the draft European Parliament and Council Regulation amending Council Regulation No 58/97 concerning structural business statistics.

The first chapter of the publication aims at setting the European banking sector in an international context. Eurostat's data are presented together with OECD's statistics on bank profitability in the USA, Japan, the Czech Republic, Hungary and Poland. These statistics cover commercial banks primarily taking deposits from the public at large and providing finance services for a wide range of purposes. Due to differences in coverage and definitions, these data have to be used cautiously for comparative purposes with Community statistics on credit institutions.

These methodological notes aim at facilitating the interpretation and analysis of the statistics published in this volume.

## **Legal framework for the collection of statistics on credit institutions at Community level**

### **Draft European Parliament and Council Regulation amending Regulation 58/97 concerning structural business statistics**

In 2001, the Commission has proposed a sector specific annex on credit institutions (Annex 6) to be added to Council Regulation 58/97 concerning structural business statistics. This annex aims to establish a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity, performance and competitiveness of the sector of credit institutions. At the moment of the completion of this publication, the draft European Parliament and Council Regulation amending Regulation 58/97 concerning structural business statistics follows the official procedure for adoption.

Although the Regulation that will introduce Annex 6 to the SBS Regulation has not yet been adopted, Annex 6 characteristics have already been collected from EEA Member States (excluding Liechtenstein) and Switzerland on a voluntary basis starting from the reference year 1997. Three reference years (1997 to 1999) have now been collected for Annex 6.

According to this annex, the statistics have to be compiled for the activities of all credit institutions within the scope of NACE Rev.1 class 65.12 (Other monetary intermediation) and class 65.22 (Other credit granting). Credit institutions are defined in Council Directive 77/780/EEC as 'an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credit for its own account', but the implementation of the Directive into national legislation varies from country to country. Then, in terms of the NACE Rev.1 classification, credit institutions mainly correspond to the class 65.12, but in some countries (Germany, Spain, France, Austria, Finland, Sweden, Norway and Switzerland) credit institutions may also comprise a number of enterprises whose main activity is classified under class 65.22.

The transmission delay of the results from Member States to Eurostat should not be longer than 10 months after the end of the reference year. Regarding the data collection for the reference year 1999, at the end of September 2000, Eurostat sent questionnaires asking for statistics on credit institutions to the 18 countries participating (EEA and Switzerland, excluding Liechtenstein), also asking for revised data for the reference year 1998 whenever necessary. For specific reasons, Ireland and Finland did not provide their data in time to be included in the present publication. Iceland did not participate in the data collection.

The draft Annex 6 includes 61 variables for which yearly statistics have to be compiled: 49 sector specific variables and 12 variables listed in SBS Annex 1. These variables are classified under 8 chapters:

- 1) Structural variables
- 2) Accounting variables: variables on the profit and loss account
- 3) Accounting variables: variables on the balance sheet
- 4) Variables by product (optional)
- 5) Variables on internationalisation
- 6) Variables on employment
- 7) Residual variables
- 8) Regional statistics

### Home or Host country approach

Statistics on credit institutions at national level can be collected according to two approaches: Home and Host country approach. For the voluntary data collections, the countries were free to report on either the home country or the host country basis.

Countries using the **'home country approach'** report the entire banking business of resident credit institutions authorised in the reporting Member State, including the business of their branches operating abroad. The home country authority also reports data on resident branches of non-EEA countries. Because the branches of credit institutions with head offices in other EEA countries are already included in the data reported by their home country authorities, the data on these branches should be excluded from the data provided by the authorities of the countries hosting those branches.

Countries using the **'host country approach'** record the business of the branches of other EEA countries within the national territory, while branches abroad are beyond the scope of the host country approach. In this case, reporting by the national authority should exclude the results of branches established in other EEA countries by domestic credit institutions.

The fact that part of the countries report on a host country basis, whereas others report according to the home country principle has a negatively influence on the quality of the statistics on credit institutions. Aggregating country data into EU-15 totals is very difficult as long as the data is not available on the same basis. Then, it was decided that the Member States should send data according to the host country principle from the first obligatory reference year 2001 in order to be coherent with the ECB that collects its data on balance sheet items of credit institutions on a host country basis.

Eurostat is therefore in charge of the data conversion from home into host country approach for the reference years 1997 to 2000. This means that - for those countries which are still delivering data according to the home country principle - the conversion should take place at national level starting from the data collection on the reference year 2001. The Member States concerned are Belgium, Denmark, Germany, Greece, France, Austria and Finland. In accordance with the provisions of Article 6 of Council Regulation 58/97 concerning structural business statistics, Member States are free to choose a conversion method.

In November 2000, Eurostat proposed a conversion method to the participants in the Eurostat Working Group on Financial Services Statistics. The method was tested and agreed in April 2001 by the members of the Eurostat Task Force on Financial Services Statistics. The method that uses the ratio balance sheet total on a host country basis / balance sheet total on a home country basis will be used for the conversion of the statistics on a home country basis into a host country basis. Eurostat has made calculations for the reference years for which voluntary data have been transmitted and sent the results to the countries concerned for comments and approval. The method will be included in the methodological manual for statistics on credit institutions, as a Eurostat recommendation.

## Calculation method of indicators and analytical ratios used in the publication

### Macroeconomic variables

**Production value:** Interest receivable and similar income *minus* Interest payable and similar charges *plus* Income from shares and other variable-yield securities *plus* Commissions receivable *plus* Net profit or net loss on financial operations *plus* Other operating income

**Total purchases of goods and services:** Commissions payable *plus* Other administrative expenses *plus* Other operating charges

**Value added at factor cost:** Production value *minus* Total purchases of goods and services

**Gross operating surplus:** Value added at factor cost *minus* Personnel costs

### Financial ratios

**Cost on income on ratio:** Operating expenses *divided by* Operating income

**Operating expenses:** Commissions payable *plus* General administrative expenses *plus* Other operating charges, *excluding* Value adjustments

**Operating income:** Net interest income *plus* Income from securities *plus* Commissions receivable *plus* Net profit or net loss on financial operations *plus* Other operating income

**Net commission income / Net interest income:** (Commissions receivable *minus* Commissions payable) *divided by* (Interest receivable and similar income *minus* Interest payable and similar charges)

**Net interest / Non-interest income:** (Interest receivable and similar income *minus* Interest payable and similar charges) *divided by* (Income from securities *plus* Commissions receivable *plus* Net profit or net loss on financial operations *plus* Other operating income)

**Return on assets:** (Profit or loss on ordinary activities *minus* All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes) *divided by* Balance sheet total (average total)

**Return on equity:** (Profit or loss on ordinary activities *minus* All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)) *divided by* Total of capital and reserves (average total)

### Ratios on employment

**Personnel costs / Other expenses:** Personnel costs *divided by* (Other administrative expenses *plus* Other operating charges)

## Presentation of CREDSTAT in NEW CRONOS

CREDSTAT 'European Statistics on credit institutions' database was created in NEW CRONOS (<http://europa.eu.int/newcronos>) on March 1<sup>st</sup> 1999.

NEW CRONOS is the Eurostat's reference macroeconomic and social database which contains over 160 million social and economic statistical data covering the Member States and, in many cases, Japan, the United States, the central European countries and the main economic partners of the Union. Data may be monthly, quarterly, half-yearly or annual depending on the statistical domain covered, and are available from 1960 to the present day depending on the variable or country selected.

NEW CRONOS is divided into 9 themes, each being subdivided into several domains. Each domain is structured in collections covering a specific sector and giving economic and social indicators.

Theme 1	General Statistics
Theme 2	Economy and Finance
Theme 3	Population and Social Conditions
Theme 4	Industry, Trade and Services
Theme 5	Agriculture and Fisheries
Theme 6	External Trade
Theme 7	Transport
Theme 8	Environment and Energy
Theme 9	Science and Technology

The sector specific CREDSTAT database is located in Theme 4, SBS domain. It contains 6 series (or groups) and 18 tables.

Group	Table
Annual enterprise statistics	- Economic variables being part of Annex 1 to Council Regulation 58/97 - Sector specific variables: Profit and loss account, balance sheet, additional accounting variables
Annual enterprise statistics: breakdown of the number of enterprises	- Number of enterprises broken down by legal status - Number of enterprises and balance sheet total broken down by residence of the parent enterprise - Number of enterprises broken down by size classes of balance sheet total
Annual enterprise statistics broken down by categories of credit institutions	- Number of persons employed and balance sheet total broken down by category of credit institutions
Annual enterprise statistics broken down by product	- Interests receivable and similar income by product - Interests payable and similar charges by product - Commissions receivable by product - Commissions payable by product - Number of loans and advances to customers linked to CPA categories - Number of accounts linked to CPA categories
Annual enterprise statistics: geographical breakdown	- Number of EEA branches - Financial subsidiaries in other countries - Business written by EEA branches - Number of branches in non-EEA countries - Business written in non-EEA countries
Annual enterprise statistics: regional breakdown	- Number of local units by region - Number of persons employed by region - Wages and salaries by region

Source: Eurostat/ Industry, Trade and Services/SBS/Credstat



# COMPLEMENTARY INFORMATION

The following tables provide additional information extracted from the Eurostat New Cronos domains. Such information might be useful in handling and understanding the figures presented in the publication.

**Table 1: Gross domestic product at market prices (current prices)  
(bn ECU (1994-1998)/bn euro (1999)), 1994-1999**

	1994	1995	1996	1997	1998	1999
<b>EU-15</b>	<b>6 332</b>	<b>6 581</b>	<b>6 911</b>	<b>7 280</b>	<b>7 621</b>	<b>8 004</b>
<b>EUR-11</b>	<b>5 073</b>	<b>5 309</b>	<b>5 534</b>	<b>5 650</b>	<b>5 884</b>	<b>6 143</b>
B	197	211	212	215	224	234
DK	128	138	144	149	156	165
D	1 764	1 880	1 878	1 866	1 922	1 982
EL	84	90	98	107	108	117
E	425	447	481	495	524	563
F	1 139	1 188	1 225	1 241	1 298	1 350
IRL	46	51	58	71	77	89
I	863	839	971	1 030	1 069	1 108
L	:	14	14	15	16	18
NL	296	317	324	333	352	374
A	168	180	182	182	189	197
P	:	83	89	94	100	107
FIN	84	99	101	108	115	121
S	174	184	206	211	214	226
UK	873	861	929	1 163	1 259	1 353
IS	5	5	6	7	7	8
N	104	112	124	137	132	144
<b>EEA</b>	<b>6 441</b>	<b>6 699</b>	<b>7 041</b>	<b>7 424</b>	<b>7 760</b>	<b>8 156</b>
CH	220	235	233	226	235	243
CZ	35	40	45	47	51	51
HU	:	34	36	40	42	45
PL	83	97	113	127	141	146
US	5 928	5 657	6 152	7 333	7 839	8 723
JP	4 054	4 046	3 699	3 807	3 523	4 225

Source: Eurostat/Economy and Finance/National Accounts - Aggregates - Annual data/GDP and main aggregates.

**Table 2: Population on 1st January of each year, 1994-1999**

	1994	1995	1996	1997	1998	1999
<b>EU-15</b>	<b>370 432 698</b>	<b>371 589 471</b>	<b>372 669 894</b>	<b>373 716 690</b>	<b>374 583 990</b>	<b>375 346 459</b>
<b>EUR-11</b>	<b>287 788 419</b>	<b>288 614 310</b>	<b>289 412 688</b>	<b>290 205 425</b>	<b>290 840 951</b>	<b>291 377 060</b>
B	10 100 631	10 130 574	10 143 047	10 170 226	10 192 264	10 213 752
DK	5 196 642	5 215 718	5 251 027	5 275 121	5 294 860	5 313 577
D	81 338 093	81 538 603	81 817 499	82 012 162	82 057 379	82 037 011
EL	10 409 605	10 442 863	10 465 059	10 486 595	10 510 965	10 521 669
E	39 121 448	39 177 377	39 241 933	39 298 600	39 347 936	39 394 258
F	57 779 052	58 020 080	58 258 071	58 491 634	58 728 083	58 977 158
IRL	3 583 154	3 597 617	3 620 065	3 652 177	3 693 999	3 734 901
I	57 138 489	57 268 578	57 332 996	57 460 977	57 563 354	57 612 615
L	400 900	406 600	412 800	418 300	423 700	429 200
NL	15 341 553	15 424 122	15 493 889	15 567 107	15 654 192	15 760 225
A	8 015 027	8 039 865	8 054 802	8 067 812	8 075 425	8 082 819
P	9 892 160	9 912 140	9 920 760	9 934 110	9 957 270	9 979 450
FIN	5 077 912	5 098 754	5 116 826	5 132 320	5 147 349	5 159 646
S	8 745 109	8 816 381	8 837 496	8 844 499	8 847 625	8 854 322
UK	58 292 923	58 500 199	58 703 624	58 905 050	59 089 589	59 391 145
IS	265 064	266 978	267 958	269 874	272 381	275 712
N	4 324 815	4 348 410	4 369 957	4 392 714	4 417 599	4 445 329
<b>EEA</b>	<b>375 052 887</b>	<b>376 235 488</b>	<b>377 338 732</b>	<b>378 410 421</b>	<b>379 305 290</b>	<b>380 099 515</b>
CH	6 968 570	7 019 019	7 062 354	7 081 346	7 096 465	7 123 537
CZ	10 334 013	10 333 161	10 321 344	10 309 137	10 299 125	10 289 621
HU	10 276 968	10 245 677	10 212 300	10 174 442	10 135 358	10 091 789
PL	38 504 707	38 580 597	38 609 399	38 639 300	38 659 979	38 666 983
US	259 159 000	261 687 000	264 162 207	266 490 092	269 106 300	271 626 000
JP	125 033 542	125 570 000	125 503 849	124 645 164	126 109 702	126 451 064

Source: Eurostat/Population and Social Conditions/Demography/Population.

**Table 3: Total employment, 1994-1999**

	1994	1995	1996	1997	1998	1999
<b>EU-15</b>	<b>137 240 000</b>	<b>148 055 000</b>	<b>148 583 000</b>	<b>149 522 000</b>	<b>152 028 000</b>	<b>154 988 000</b>
<b>EUR-11</b>	<b>105 418 000</b>	<b>111 690 000</b>	<b>112 055 000</b>	<b>112 571 000</b>	<b>114 647 000</b>	<b>117 016 000</b>
B	3 748 000	3 793 000	3 791 000	3 838 000	3 857 000	3 987 000
DK	2 525 000	2 596 000	2 618 000	2 664 000	2 672 000	2 698 000
D	35 840 000	35 782 000	35 634 000	35 299 000	35 537 000	36 089 000
EL	3 786 000	3 821 000	3 868 000	3 853 000	3 967 000	3 940 000
E	11 728 000	12 027 000	12 342 000	12 706 000	13 161 000	13 773 000
F	21 709 000	22 045 000	22 186 000	22 149 000	22 461 000	22 748 000
IRL	1 202 000	1 258 000	1 303 000	1 369 000	1 487 000	1 582 000
I	20 024 000	19 943 000	20 013 000	20 032 000	20 357 000	20 618 000
L	164 000	161 000	165 000	169 000	170 000	175 000
NL	6 563 000	6 575 000	6 533 000	6 765 000	7 053 000	7 210 000
A	:	3 675 000	3 617 000	3 609 000	3 626 000	3 678 000
P	4 440 000	4 417 000	4 431 000	4 523 000	4 764 000	4 830 000
FIN	:	2 014 000	2 040 000	2 112 000	2 174 000	2 326 000
S	:	4 133 000	3 984 000	3 912 000	3 942 000	4 051 000
UK	25 511 000	25 815 000	26 058 000	26 522 000	26 800 000	27 283 000
IS	:	140 000	140 000	139 000	145 000	151 000
N	:	2 037 000	:	2 168 000	2 235 000	2 251 000
<b>EEA</b>	<b>137 240 000</b>	<b>150 232 000</b>	<b>148 723 000</b>	<b>151 829 000</b>	<b>154 408 000</b>	<b>157 390 000</b>
CH	:	:	3 631 000	3 631 000	3 671 000	3 718 000
CZ <sup>1</sup>	4 936 500	4 972 000	4 962 600	4 926 800	4 873 500	:
HU <sup>1</sup>	3 646 300	3 648 000	3 678 900	3 751 500	3 827 300	4 082 700
PL <sup>1</sup>	15 177 000	14 968 000	14 791 000	14 658 000	14 894 000	15 181 000
US <sup>2</sup>	:	130 698 000	131 396 000	134 317 000	135 951 000	137 943 000
JP <sup>3</sup>	:	66 688 000	66 991 000	67 720 000	67 246 000	66 708 000

(1) Source: Eurostat/Economy and Finance/Auxiliary indicators/Population and employment.

(2) Source: Civilian labour force/Bureau of US Labour Statistics.

(3) Source: Persons employed (annual average) according to the European System of National Accounts.

Source: Eurostat/Population and Social Conditions/Labour Force Survey/Employment.

# **GLOSSARY ON CREDIT INSTITUTIONS STATISTICS**

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**-A-**

**Accounting variables:** reference is made to Directive 86/635/EEC, on the annual accounts and consolidated accounts of banks and other financial institutions.

**Automatic Teller Machines (ATMs):** different forms of machines which facilitate the banking business, e.g. machines that make it possible to withdraw deposits (cash dispensers), to make payments, to exchange money, to load credit cards, etc.

**-B-**

**Branch:** place of business which forms a legally dependent part of a credit institution and which carries out directly all or some of the transactions inherent in the business of credit institutions. Any number of places of business set up in the same Member State by a credit institution with headquarters in another Member State shall be regarded as a single branch.

Branch is used as in Directive 89/646/EEC and as detailed in the Commission Communication on the freedom to provide services and on the interest of general good in the second banking Directive 95/C 291/06.

**-C-**

**Credit institutions:** are normally defined as 'undertakings whose business is to receive deposits or other repayable funds from the public and to grant credits for their own account' according to Directive 77/780/EEC; or as in national law.

For some Member States, credit institutions refer to enterprises engaged in 'other monetary intermediation' only (Nace Rev.1 class 65.12), whereas for others the coverage also includes institutions classified under Nace Rev.1 class 65.22, 'other credit granting'.

**Co-operative credit institutions:** normally have a special – co-operative – legal status and originally tailored their business activities primarily to the needs of local small businessmen, farmers and self-employed people.

Co-operative societies observe a number of general principles; for instance, they are only entitled to provide their services to members, profits are distributed in proportion to members' dealings with the society, etc.

**-D-**

**Disintermediation:** directly raising funds from capital markets without using the banking circuit (banking intermediation).

**-E-**

**Enterprise:** is 'the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole local unit.'

For credit institutions the statistical unit enterprise is in general equivalent to the legal unit. The legal unit 'credit institution' is authorised and registered by the relevant national authority.

**-L-**

**Limited liability companies:** comprise joint-stock companies, limited partnerships with share capital and private limited companies.

**Local unit:** is 'an enterprise or part thereof (e.g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which – save for certain exceptions – one or more persons work (even if only part time) for one and the same enterprise'.

Local units are normally defined as parts of credit institutions located separately and employing at least one person. Local units must be included even if they have no paid employees. This statistic should include all units active during at least a part of the reference period.

Whereas the definition excludes ATMs, the number of local units includes credit institutions branch offices and other comparable outlets.

**-N-**

**Number of persons employed:** number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit premises, although they belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams).

It includes persons absent for a short period (e.g. sick leave, paid leave or special leave), and also those on strike, but not those absent for an indefinite period. It also includes part-time workers who are regarded as such under the laws of the country concerned and who are on the payroll, as well as seasonal workers, apprentices and homeworkers on the payroll. The number of persons employed excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service. Unpaid family workers refer to persons who live with the proprietor of the unit and work regularly for the unit, but do not have a contract of service and do not receive a fixed sum for the work they perform. This is limited to those persons who are not included on the payroll of another unit as their main occupation.

**-P-**

**Public-law enterprise:** any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it. A dominant influence on the part of the public authorities shall be presumed when these authorities, directly or indirectly in relation to an undertaking:

- Hold the major part of the undertaking's subscribed capital, or
- Control the majority of the votes attaching to shares issued by the undertakings, or
- Can appoint more than half of the members of the undertaking's administrative, managerial or supervisory body.

**-S-**

**Savings banks:** are banks, which, at least by tradition, receive deposits primarily in the form of savings deposits from broad sections of the public.

**-U-**

*Universal banks*: offer all or most of the products and services that credit institutions are allowed to propose.

- Acceptance of deposits and other repayable funds
- Lending (consumer credit, mortgage, factoring, forfeiting)
- Financial leasing
- Money transmission services
- Issuing and administrating means of payments
- Guarantees and commitments
- Trading for own account or for account of customers
- Participation in share issues and related services
- Financial consulting and advisory services for enterprises
- Money broking
- Portfolio management and advice
- Safekeeping and administration of securities
- Credit reference services
- Safe custody services