

European Statistics on Financial Services Enterprises Some key data on credit institutions

1. Introduction

Following the encouraging results in the insurance services statistics, in 1995 Eurostat launched a new project on 'Financial Services Statistics' which deals with enterprise statistics on various categories of financial services enterprises such as credit institutions, investment firms or undertakings for collective investments in transferable securities (UCITS). These efforts have to be seen in the frame of the draft structural business regulation¹ which aims at implementing statistics on a wide range of services and other enterprises.

The project having just started, Eurostat does not yet have either sector-specific or regular data collections, nor publications on credit institutions, investment firms or UCITS.

In the context of the draft structural business regulation there is, however, a limited range of data which has been gathered from services enterprises of all categories (including financial services enterprises) for a number of years. This data is collected from the competent national authorities (mainly National Central Banks), on a voluntary basis, with the MERCURE statistical information system.

The present report considers some variables on credit institutions extracted from the MERCURE data base. These variables point to structural, employment and accounting aspects of the enterprises included in classes 65.12 (other monetary intermediation activities) and 65.22 (other credit granting activities) of the NACE Rev.1 classification. In theory all credit institutions - both specialised and non-specialised - should be covered by these NACE classes.

¹ Draft Council Regulation (Euratom, EC) concerning structural business statistics (95/C 146/05), OJ No C 146, 13.6.1995, p. 6 - 28

Since no sector-specific data collection on credit institutions has yet been implemented by Eurostat, no harmonised methodological background exists for the variables currently collected by MERCURE. Comparability of data between Member States is therefore often rather limited. Methodological comments have been added in the following when available and deemed necessary.

2. Number of enterprises and local units

This chapter focuses on some basic structural data such as the number of credit institutions, of other credit granting enterprises and the number of their local units.

Table 1: Number of enterprises

Country	NACE class 65.12: Credit institutions		NACE class 65.22: Other credit granting
	1990	1994	1994
	B	127	130
DK	189	208 ¹	8 ²
D	4 071	3 736	-
GR	44	49	-
E	327	316	132
F	787	606	1 000
IRL	47	52	-
I	1 061	1 002 ³	-
L	177	222	-
NL	-	768 ⁴	-
A	-	955	98
P	261	259 ⁵	51
FIN	540	362	47
S	-	111 ⁶	-
UK	593	485	-
EUR 15	8 224 ⁷	9 261	-
IS	-	-	-
N	167	153	63
EEA	8 391 ⁸	9 414 ⁹	-
CH	626	423	5 ¹⁰
USA ¹¹	13 045	11 736 ¹²	-
JAP ¹¹	156	151 ¹³	-

1. Including specialised credit institutions and credit cooperatives

2. Mortgage credit institutions

3. Including specialised credit institutions

4. Including credit cooperatives

5. 1993 data

6. Licensed banks

7. EUR 15 except Austria, Sweden and Netherlands

8. EEA except Austria, Sweden, Netherlands and Iceland

9. EEA except Iceland

10. Including small credit institutions but not covering other specialised credit institutions

11. 1993 data / Source: OECD, Bank Profitability, Financial Statements of Banks 1984-93

12. Commercial banks and mutual saving banks

13. Commercial banks

Source: Eurostat

Most credit institutions fall within NACE class 65.12 (= other monetary intermediation). As regards NACE class 65.22 (= other credit granting) the allocation of enterprises is not consistent from one Member State to another. Where separate figures are shown this data often refers to specialised credit institutions. Where this is not the case, specialised credit institutions - should they exist - are frequently included in NACE class 65.12.

Most of the entire population of credit institutions in the EEA is concentrated in Germany, Italy, France and the United Kingdom. In Germany (40% of the EEA total number of enterprises) many credit institutions are small saving banks or cooperative banks of local importance. In this report all the data for Germany also include the five eastern 'Bundesländer' - after their reunification in 1990 - from the year 1993 onwards. The smallest population is recorded in Greece and Ireland where only about 50 enterprises are active on the market (branches of foreign enterprises are probably included in these figures).

The high number of French entities under the other credit granting activities is significant: beside specialised credit institutions, such as banks for regional development and credit institutions for Small and Medium Enterprises, these include also leasing enterprises and a certain number of other financial institutions.

In the course of the past five years the number of credit institutions in the EEA has decreased, often due to mergers and acquisitions, which often affect smaller enterprises.

Table 2: Local units (1994)



Country	Number of local units	
	Credit institutions ¹	Local units per enterprise
B	17 040	131
DK	-	-
D	52 443	14
GR	1 779	36
E	35 591	113
F	-	-
IRL	1 327	26
I	23 120	23
L	213	1
NL	7 269	9
A	4 645	5
P ²	3 539	14
FIN	-	-
S	2 690 ³	24
UK	12 122 ⁴	25
EUR 15		
IS ⁵	36 ⁶	-
N	-	-
EEA		
CH	3 799	9
JAP ⁷	18 042 ⁸	119

1. Corresponding to NACE class 65.12

2. 1993 data

3. Local units of licensed banks

4. Including local units of the Bank of England

5. 1992 data

6. Local units of saving banks

7. 1993 data / Source: OECD, Bank Profitability, Financial Statements of Banks 1984-93

8. Local units of commercial banks

Source: Eurostat

In Eurostat's methodological framework a local unit is as a rule defined as "an enterprise or part thereof situated in a geographical 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".

For credit institutions this general definition certainly needs specific interpretation. After preliminary discussions in the competent groups, local or regional offices, even automatic teller machines installed by credit institutions, could be regarded as local units.

Looking at the data in Table 2, the interpretation of local units is certainly not consistent between Member States. In some countries, Belgium for example, a high number of local units per enterprise is recorded. This suggests a broader definition. In other countries only local or regional offices may have been reported as local units. In any case further methodological work has to be carried out.

3. Interests and commissions received

Table 3: Interests and commissions received (1990,1992,1994)


Country	Credit institutions ¹			Average annual growth (%)		Methodological comments
	(Mio ECU)			(1992-94)		
	1990	1992	1994	ECU	Local currency	
B	44 202	48 217	55 271	7.07	4.54	Interests and commissions received
DK	13 186	12 975	10 605	-9.59	-11.15	Interests and commissions received
D	177 799	235 400	265 626	6.23	3.66	Interests and commissions received
GR	4 423	6 793 ²	7 785 ²	7.06	15.60	No methodological comments
E	62 976	69 094	59 208	-7.43	1.37	Interests and commissions received
F	180 355	229 163	347 019	23.06	20.65	Interests and commissions received
IRL	-	-	-	-	-	
I	82 663	-	99 880 ³	-	-	Interests and commissions received
L	27 934	34 095	30 787	-4.98	-7.21	No methodological comments
NL	8 781 ⁴	10 344	12 561	10.20	7.34	No methodological comments
A	-	24 690	23 711	-2.00	-4.37	Interests and commissions received
P	11 602	14 212	13 217 ⁵	-7.00 ⁶	0.27 ⁶	Interests and commissions received
FIN	-	-	-	-	-	
S ⁷	-	24 987	13 551	-26.36	-18.78	Interests and commissions received
UK	-	160 781 ⁸	127 851 ⁸	-10.83	-8.54	Interests received and charges, commissions, fees
EUR 15						
IS ⁹	283	327	-	-	-	No methodological comments
N	9 939	9 052	6 026	-18.41	-16.74	Interests and commissions received
EEA						
CH	-	20 126	23 140	7.22	1.26	Interests and commissions received (plus other marginal income)

1. Corresponding to NACE class 65.12

2. Commercial banks

3. Not all banks covered

4. 1989 data

5. 1993 data

6. Growth 1992-93

7. Licensed banks

8. Including the data of the Bank of England

9. Credit institutions and other credit granting activities

Source: Eurostat

Credit institutions in France, Germany and the United Kingdom earn the largest amounts of income on interests and commissions. Looking at the development of this income from 1992 to 1994 in national currency, large growth rates are observed in France and Greece. In some other countries (Denmark, Austria, Luxembourg, Sweden, Norway and the United Kingdom) the interests and commissions received have even fallen in the period under consideration. The growth rates in ECU need careful interpretation as they are sometimes heavily influenced by variations in the exchange rates.

Further discussions have to be carried out in the competent working group in order to arrive at an agreed definition of turnover and of value added at market prices for credit institutions. It seems clear that the components hereon stem from the profit and loss account as shown in the Accounting Directive for credit institutions 86/635/EEC². The interests and commissions received certainly fall under those components.

² Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions, OJ 372, 31.12.1986, p. 1 - 17

4. Employment and personnel costs

This chapter concentrates on two basic variables: the employment of credit institutions and their personnel costs.

Table 4: Employment (1990,1992,1994)

Country	Number of persons employed			% of total employment 1994	Persons employed per enterprise 1994
	Credit institutions ¹				
	1990	1992	1994		
B	-	-	-	-	-
DK	55 000	52 292	48 756	1.89	234
D	620 700	648 650	727 800	2.09	195
GR	48 896	49 777	52 485	1.38	1 071
E	251 587	253 197	246 127	2.06	779
F	-	391 000	383 000 ²	1.72 ²	629 ²
IRL	-	21 500 ³	22 400 ³	1.90	431
I	320 873	327 992	339 297	1.68	339
L	16 535	16 143	17 638	8.48	79
NL	111 200 ⁴	-	112 000	1.67	146
A	-	66 030	64 909 ²	1.82 ²	67 ²
P	60 714	65 151	63 870 ²	1.42 ²	247 ²
FIN	50 840	47 268 ⁵	37 729	1.84	104
S	45 329 ³	44 216 ³	43 203 ³	1.10	389
UK	-	406 200 ⁶	371 100 ⁶	1.46	765
EUR 15	-	2 389 416 ⁷	2 530 314 ⁸	1.77 ⁸	273 ⁸
IS	-	633 ⁹	-	-	-
N	31 200	27 674	26 074	-	170
EEA	-	2 417 723 ¹⁰	2 556 388 ¹¹	-	272 ¹¹
CH	127 626	121 884	120 139	-	284
JAP ¹²	551 000	569 000	575 000 ²	0.89 ²	3 808 ²

1. Corresponding to NACE class 65.12

2. 1993 data

3. Licensed banks

4. 1989 data

5. 1991 data

6. Referring to members of the British Bankers' Association, including the staff of the Bank of England

7. EUR 15 except Belgium and the Netherlands

8. EUR 15 except Belgium

9. Saving banks

10. EEA except Belgium and the Netherlands

11. EEA except Belgium and Iceland

12. Commercial banks / Source: OECD, Bank Profitability, Financial Statements of Banks 1984-93

Source: Eurostat

Few methodological problems should exist as regards the number of persons employed. However, some difficulties may be expected as regards the allocation of persons employed at single enterprise level within groups of credit institutions.

In the EEA (except Belgium and Iceland) the total number of persons employed in the banking sector in 1994 amounts to 2 556 388 with the largest share in Germany (28.5% of the total), the second largest in France (15%), followed by the United Kingdom (14.5%) and Italy (13%).

In many Member States employment started to decrease after 1992, due to advancing rationalisation but also to mergers and acquisitions. A large increase in the number of persons employed - with a consequent raise of the EEA total - was recorded in Germany. This is mainly due to the German reunification. The data of the five new 'Bundesländer' has only been included from the year 1993 onwards, but some effects of the reunification on employment have already been recorded since 1990.

Regarding the percentage of persons employed on the total employment of each country, the largest value is recorded in Luxembourg (8.5 %), where the banking industry plays a major role. The percentages in all the other Member States are comparable, ranging from 1.4 % in Greece and Portugal to 2.1 % in Germany. The figures for Sweden and Ireland are not fully comparable as the number of persons employed refers to licensed banks only.

The highest number of persons employed per single enterprise is recorded in Greece, the United Kingdom and Spain. A market rather concentrated with - except in the United Kingdom - few foreign branches. The lowest rate exists in Austria and Luxembourg where many foreign branches or many smaller enterprises are installed.

Table 5: Personnel costs (1994)

Country	Personnel costs		Methodological comments	Personnel costs per person employed (ECU)
	Credit institutions ¹ (Mio ECU)			
B	4 468		No methodological comments	-
DK	2 676		No methodological comments	54 894
D	31 810		No methodological comments	43 706
GR	902		No methodological comments	17 178
E	9 887		Total of ordinary and extraordinary personnel costs	40 169
F ²	16 311		Total of ordinary personnel costs	42 587
IRL	-			-
I	18 826		Total of personnel costs	55 484
L	1 109		No methodological comments	62 873
NL	4 235		No methodological comments	37 811
A ²	2 343		Total of personnel costs	36 090
P ²	1 548		Total of personnel costs	24 233
FIN	-			-
S	-			-
UK	23 328 ³		Total of personnel costs and rents on land and buildings	62 861
EUR 15				
IS	-			-
N	964		No methodological comments	36 978
EEA				
CH	8 353		Total of personnel costs (including also marginal no personnel costs)	69 527

1. Corresponding to NACE class 65.12

2. 1993 data

3. Including personnel costs of the Bank of England

Personnel costs also have a fairly high level of comparability. Most Member States already include gross wages and salaries, employer's voluntary social security contributions and other personnel costs under this item.

As regards the average personnel costs per person employed, large differences occur between Member States. The banking industry of Luxembourg shows above-average personnel costs. The figures of the United Kingdom and Switzerland need careful interpretation as they also include costs other than personnel costs. The lowest average personnel costs per person employed in the EEA are found in Portugal and Greece.

5. Outlook

The present report covers some limited data on credit institutions provided by National Central Banks or by National Statistical Institutes.

Heterogeneity of data is observed:

- on the scope of the enterprises covered by the relevant NACE classes 65.12 and 65.22,
- and on the methodological background of the variables themselves.

Additionally, many sector-specific variables - essential for monitoring the performance of credit institutions and for calculating macro-economic data (such as the value added) - are not yet collected from national authorities.

For improving this unsatisfying situation, Eurostat launched - in January 1995 - the development of a sector-specific statistical system on credit institutions. This statistical system should, for example, cover annual data on the economic and financial situation of the enterprises, their employment and their national and international activities.

The availability of harmonised data at EEA level has to be considered the major aim of this project.