LARGEST EUROPEAN BANKS:
FINANCIAL AGGREGATES

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I. INTRODUCTION

Profile of the banks

This survey covers the leading banks in Europe, selected according to the criteria set out in Section III. A total of 37 groups are included, 25 of which control some 5,600 companies (no figures are available for the United Kingdom or Benelux). Table I. 1 gives some key figures, and the full list of companies is to be found in Section III. Germany has the largest number of banks in the survey, accounting for some 29% of total assets. U.K. banks lead the way in terms of number of staff employed, approximately one quarter of the total, and they also account for roughly a quarter of the survey total in terms of revenues. Altogether, the banks included here represent just under 60% of total European Union banking system assets.

TABLE I.1 – BANKS COVERED IN THE SURVEY

	No. of companies	No. of employees in 2001	Total assets (1) at 31/12/01	Total income in 2001
		'000	*EUR bn*	*EUR bn*
Germany	11	339	4,696	72
United Kingdom	6	546	3,182	102
Benelux	6	410	2,720	63
France	5	295	2,346	53
Italy	3	171	690	27
Switzerland	2	151	1,512	49
Spain	2	219	647	29
Sweden	1	37	239	6
Denmark	1	18	207	4
Total	**37**	**2,186**	**16,239**	**405**

(1) Excludes goodwill.

Certain features of group structure and of the consolidated accounts published by individual banks are country-specific, and these are discussed in more detail in Appendix I. For instance, some banks have their own insurance or *bancassurance* operations, and these are accounted for differently in different countries. Such accounting principles are set out in Appendix II. Results from insurance business and their relative weight in aggregate figures for the past three years are given in Table I. 2. The aggregate current pre-tax profit earned by European banks in 2001 was € 102.5bn, higher in absolute terms than the figure recorded in 1999, but down 13.4% over that posted in 2000. At 25.3% of total income in 2001, it fell by 5.2 percentage points from the figure recorded in 2000, and by 3.4 percentage points over 1999. Results from banking operations mirrored this trend, with current profit as a percentage of total income falling from 25.5% in 1999 to 21.4% in 2001, a fall of 4.1 percentage points which was even more pronounced than that recorded by the aggregate figures. In contrast, insurance business grew steadily, from € 10.5bn in 1999 to € 15.7bn in 2001, and from 3.2% of total income in 1999 to 3.9% in 2001. Insurance funds went from € 626bn in 1999 to € 981bn in 2001, which represents growth of 57% over the two years, and as a percentage of total assets from 4.8% in 1999 to 6% in 2001.

TABLE I. 2 – BANKING AND INSURANCE AS A PERCENTAGE OF AGGREGATE FIGURES

	Current pre-tax profit			Total assets (1)		
	1999	2000	2001	1999	2000	2001
		EUR bn			*EUR bn*	
Banking	83.7	104.2	86.8	12,440.4	14,161.1	15,376.7
Insurance	10.5	14.1	15.7	625.6	869.6	981.2
Total	**94.2**	**118.3**	**102.5**	**13,066.0**	**15,030.7**	**16,357.9**
		as % of total income			*as % of total assets*	
Banking	*25.5*	*26.9*	*21.4*	*95.2*	*94.2*	*94.0*
Insurance	*3.2*	*3.6*	*3.9*	*4.8*	*5.8*	*6.0*
Total	***28.7***	***30.5***	***25.3***	***100.0***	***100.0***	***100.0***

(1) Insurance funds in the case of insurance activities.

Size

The European banks considered in our survey grew between 1995 and 2001, both organically and as a result of M&A activity. In terms of total assets, average size in 2001 was € 439bn, three times that recorded in 1995, following an increase of 98.5% in assets and a reduction from 56 to 37 in the number of banks reviewed.

	Average size measured by total assets (1)		
	1995	2001	*% increase*
	EUR bn	EUR bn	
All banks (2)	146.1	438.9	200.4

(1) Excludes goodwill.
(2) 56 in 1995; 37 in 2001.

Growth by acquisitions was a crucial factor. Between 1 January 1996 and 30 June 2002, some 19 "mega-mergers"([1]) took place, which substantially reduced the number of banks included in our review (these are listed in Table I. 3). The first point worthy of note in this regard is that these large deals have, with but a few exceptions, involved banks belonging to the same nation. In Germany, for example, the merger between Bayerische Vereinsbank and Bayerische Hypotheken-und-Wechsel-Bank in 1998 led to the setting up of Bayerische Hypo-und Vereinsbank (HVB), the second largest bank in the country after Deutsche Bank. HVB then acquired Bank Austria in 2000, which in turn had merged with Creditanstalt in 1997. HVB's majority shareholder is Münchener Rückversicherungs (Munich Re), the world's largest reinsurer, with a stake of 25.6%, and HVB in turn has a 13.3% interest in Munich Re. Munich Re also owns 10.4% of Commerzbank. During 2001, the insurer Allianz took control of Dresdner Bank, then the third largest German bank in terms of total assets, having owned a 21% stake in it until the end of 2000.([2])

In France, Crédit Agricole acquired Banque Indosuez from Compagnie Financière de Suez in 1996, while in 1998 Crédit Mutuel took a majority stake in Union Européenne de CIC (now Crédit Industriel et Commercial-CIC) as part of its privatization by the French

[1] Defined for the purposes hereof as mergers involving two or more of the banks included.
[2] Allianz acquired 56.7% of Dresdner Bank for an outlay of € 17.2bn, following a takeover bid completed in July 2001.

government. In 1999, Banque Nationale de Paris managed to stave off Société Générale's bid for Paribas, before acquiring the bank itself and changing its name to BNP Paribas. In the same year, Crédit Lyonnais was privatized and a core shareholders' agreement entered into between members owning roughly one third of the bank. Out of the shareholders thus represented, as at 31 December 2001 Crédit Agricole had the largest share, with 10.5% of the bank's share capital and 11% of its voting rights.([3]) In 2000, Crédit Commercial de France was acquired by U.K.-based group HSBC Holdings.([4])

In the Benelux countries, Banque Bruxelles Lambert was snapped up by the Dutch group ING with effect from 1 January 1998, while in the same year Belgian/Dutch group Fortis ([5]) pocketed the largest bank in Belgium, Générale de Banque. Other major same-country transactions include Swiss banks Unione di Banche Svizzere and Società di Banca Svizzera merging in 1998 to become UBS, and in Spain, Banco Santander acquiring Banco Hispanoamericano in 1999, plus Banco Bilbao Vizcaya acquiring Argentaria in 2000. In Italy, Banca Intesa bought Banca Commerciale Italiana in 1999, while in the United Kingdom the Royal Bank of Scotland bought the National Westminster Bank in 2000. In Denmark, Danske Bank made two acquisitions: it bought Real Danmark, the holding company which owns BG Bank, the third largest bank in the country prior to this transaction, and Realkredit Danmark, a mortgage lender. In 2001, U.K.

[3] In November 2002, BNP Paribas was awarded a 10.9% stake in Crédit Lyonnais being auctioned off by the French government for an outlay of € 2.2bn. The following month, after acquisitions on the market, its holding increased to 16.2%. In the same month, i.e. December 2002, Crédit Agricole launched a takeover bid for the entire share capital of Crédit Lyonnais for a consideration of € 19.5bn, to be paid for partly in cash and partly via newly-issued shares.

[4] In November 2002, HSBC Holdings announced it was launching a USD 13.6bn bid for U.S. consumer credit outfit Household International, involving a share exchange.

[5] Fortis comprises two holding companies, the Belgian Fortis S.A. and the Dutch Fortis N.V., each of which owns half the operations companies. In December 2001, the shares of the two holding companies were replaced with a single set of shares, with the result that now shareholders in the single entity remain shareholders in and retain equal voting rights in respect of both holding companies.

group Halifax and the Bank of Scotland merged to form a single holding company named HBOS.

There were major cross-border transactions in Scandinavia, notably the merger between Nordbanken of Sweden and Finnish group Merita in 1998 under the control of Nordic Baltic Holding (now Nordea), and this bank's acquisition in 2000 of Danish holding company Unidanmark, which owns Unibank along with Danish insurer Tryg-Baltica Forsikring and Norwegian insurer Vesta, both acquired during 1999. Nordea then also took control of the smaller Norwegian bank Christiania Bank og Creditkasse at the end of 2000.

Most of the mega-mergers listed under Table I. 3 were paid for by share exchanges. Of the € 148bn aggregate value of the deals, € 122bn or 82% involved some form of share issue, while the actual outlay in cash terms was a mere € 26bn.

TABLE I.3 – MERGERS AND ACQUISITIONS BETWEEN 1/1/1996 AND 30/9/2002 INVOLVING BANKS INCLUDED IN THE SURVEY
(figures show total assets in previous year)

Combined entity	Total assets of combined entity (€ m)	Banks involved (total assets, € m)
1996		
Crédit Agricole (FR)	369,797	Crédit Agricole (301,552); Banque Indosuez (68,245)
1997		
Bank Austria (AT)	106,432	Bank Austria (55,799); Creditanstalt (50,633)
1998		
UBS (CH)	632,076	Unione di Banche Svizzere (359,506); Società di Banca Svizzera (272,570)
Bayerische Hypo- und Vereinsbank (DE)	411,316	Bayerische Vereinsbank (227,260); Bayerische Hypotheken- und Wechsel-Bank (184,056)
ING Groep (NL)	379,888	ING Groep (278,505); Banque Bruxelles Lambert (101,383)
Fortis (BE/NL)	298,579	Fortis (151,392); Générale de Banque (147,187)

(*cont.*)

Combined entity	Total assets of combined entity (€m)	Banks involved (total assets, € m)
Landesbank Baden-Württemberg (DE)	210,472	Südwestdeutsche Landesbank (116,498); Landeskreditbank Baden-Württemberg (banking) (53,339); Landesgirokasse (40,635)
Crédit Mutuel (FR)	193,819	Crédit Mutuel (98,139) ; Union Européenne de CIC (now Crédit Industriel et Commercial-CIC) (95,680)
Nordic Baltic Holding Group (now Nordea) (SE)	97,332	Merita (49,875); Nordbanken (47,457)
1999		
BNP Paribas (FR)	589,941	Banque Nationale de Paris (324,826); Paribas (265,115)
IntesaBci (IT)	265,933	Banca Intesa (153,077) ; Banca Commerciale Italiana (112,856)
Banco Santander Central Hispano (ES)	235,732	Banco Santander (154,161); Banco Central Hispanoamericano (81,571)
2000		
Bayerische Hypo- und Vereinsbank (DE)	643,084	Bayerische Hypo- und Vereinsbank (503,255); Bank Austria (139,829)
HSBC Holdings (GB)	635,959	HSBC Holdings (566,667); Crédit Commercial de France (69,292)
The Royal Bank of Scotland Group (GB)	441,654	The Royal Bank of Scotland Group (142,918); National Westminster Bank (298,736)
Banco Bilbao Vizcaya Argentaria (ES)	235,571	Banco Bilbao Vizcaya (154,504); Argentaria (81,067)
Nordea (SE)	181,240	Nordic Baltic Holding (103,977); UniDanmark (77,263)
Danske Bank (DK)	168,677	Danske Bank (94,202); RealDanmark (74,475)
2001		
HBOS (GB)	430,423	Halifax Group (292,444); Bank of Scotland (137,979)

The investment banking operations of the banks included here were slightly anomalous, in the sense that for most of them growth was organic. That said, there have been several large acquisitions during the period under review, involving Swiss banks, German groups Deutsche Bank and Dresdner Bank and ING Groep of the Netherlands. Swiss bank Società di Banca Svizzera, which subsequently became part of UBS, bought the investment banking arm of U.K.-based SG Warburg Group plc in 1995, thereby setting up SBC Warburg, and U.S. bank Dillon Read in 1997. Meanwhile, Credit Suisse Group, also of

Switzerland, bought BZW from Barclays, also in 1997, and in 2000 picked up Donaldson, Lufkin & Jenrette. Deutsche Bank bought Morgan Grenfell in 1995 and Bankers Trust in 1999, while Dresdner Bank acquired Kleinwort Benson in 1995 before snapping up Wasserstein Perella in 2000. After pocketing Barings in 1995, ING strengthened its investment banking operations with the acquisition of Banque Bruxelles Lambert in 1998 and German-based BHF-Bank in 1999. In terms of domestic transactions, in France Crédit Agricole acquired Banque Indosuez in 1996 and Banque Nationale de Paris bought Paribas in 1999 (as previously mentioned), while in Italy Istituto Bancario San Paolo di Torino acquired and merged by incorporation with IMI – Istituto Mobiliare Italiano to form Sanpaolo IMI in 1998. Crédit Agricole, which had set up Crédit Agricole Lazard Financial Products in London in 1995 under a joint venture with Lazard, bought a 30.9% stake in, or 20.5% of the voting rights of, Rue Impériale de Lyon, the parent company of Lazard, in 2000.

The banks covered in this survey are for the most part privately owned, and are listed on one or more stock exchanges. Only six state-owned banks are included here, all of which are German (see Appendix I). In terms of total assets, these represent more than a third of the German banks covered, or roughly 10% of the total aggregate. They also account for some 3% of the total both in terms of number of staff employed and total revenues.

TABLE I. 4 – HIGHLIGHTS OF STATE-CONTROLLED BANKS IN THE SAMPLE

	No. of companies	No. of employees in 2001	Total assets as 31/12/01	Total revenues in 2001
			€ bn	*€ bn*
State-controlled banks	6	61,336	1,692	14.6
as % of total	*16.2*	*2.8*	*10.4*	*3.6*

Workforce

In the five years between 1996 and 2001, the aggregate workforce of the banks covered in this survey (not including the Crédit Agricole group, for which a like-for-like comparison is not possible) rose by 537,000 employees, up from just over 1.6m to just under 2.2m, at an average annual growth rate of 5.9%. Headcounts rose in every country covered here, with the largest increases in banks in the Benelux countries and Spain. Given that the mega-mergers described earlier had no significant influence on this variation, because they involved banks already included in the survey, this increase must be due to external factors, namely:

- the merger of small and mid-size banks from the same country into larger groups, e.g. in Italy the merger of Cariverona, Banca CRT and Cassamarca into UniCredito Italiano in 1998, and SanpaoloIMI's acquisition of Banco di Napoli in 2000;
- the acquisition of non-banking activities, such as Crédit Suisse's acquisition of insurer Winterthur in 1997, whose workforce by the end of 2001 totalled over 28,000;
- non-domestic acquisitions, principally involving banks from outside Europe. For example, Deutsche Bank acquired U.S.-based Bankers Trust in 1999, and in 2000 UBS bought Paine Webber and Crédit Suisse bought Donaldson, Lufkin & Jenrette, both also U.S. banks. Between them, the two acquisitions by the Swiss banks meant an extra 36,000 staff. Spanish banks made major acquisitions in Latin America throughout the five-year period, and Dutch groups ING and ABN Amro plus UK-based HSBC Holding also extended their footprints in this continent. In tandem with this extension of their geographical reach, these groups also diversified the range of services they provide, branching out into insurance and financial services. Meanwhile, German banks HVB and Commerzbank, Belgian group KBC, Société Générale in France and Unicredito Italiano all looked to Central and Eastern Europe to grow their operations.

TABLE I. 5 – LEADING EUROPEAN BANKS: CHANGES IN HEADCOUNT

	No. of employees		Increase	
	1996	2001	No.	%
United Kingdom	484,075	545,902	61,827	12.8
Benelux	252,415	410,540	158,125	62.6
Germany	275,369	339,099	63,730	23.1
France (1)	226,735	266,225	39,490	17.4
Spain	126,255	218,678	92,423	73.2
Italy	114,702	170,850	56,148	49.0
Switzerland	90,929	150,649	59,720	65.7
Sweden and Denmark	50,200	55,555	5,355	10.7
Total (1)	**1,620,680**	**2,157,498**	**536,818**	**33.1**

(1) Figures do not include Crédit Agricole, for which the changes in group structure between 1996 and 2001 make like-for-like comparison impossible. Figures for 1995 have been excluded on the grounds that they are incomplete.

The scale of non-domestic expansion during the five years under review here can be gauged by the almost 20 percentage point increase in staff employed from outside the banks' countries of origin, which now stands at 46% of the total as opposed to 26% five years ago.

Number of non-domestic employees as % of total workforce

	1996	2001
Total	26.2	46.0

Figures cover companies which accounted for 57% of the total workforce in the sample in 1996 and 88% in 2001.

Table I. 6 shows that revenues per employee earned by European banks rose by 42.5% over the five years between 1996 and 2001, or by 33.8% as measured in local currency, values which are similar to the variation in the unit cost of labour. The highest income per employee ratio in 2001 was recorded by Switzerland, followed by Germany, but these two countries also showed the highest unit labour costs. The best figures in this area over the five years were recorded in Italy, and were primarily due to a reduction in the cost of labour, given that income per employee earned by Italian banks showed one of the lowest growth rates of all the countries considered. Next came Spanish banks, those of the U.K. and those in France. German and especially Swiss banks experienced a perceptible worsening in terms of income per employee, as a result of the steep increase in the cost of labour, especially in the area of investment banking, and especially among those banks which were the targets of acquisitions (see above). For example, Credit Suisse First Boston, the investment banking arm of the Credit Suisse group, employed some 52% of the group's total headcount in 2001 at a unit cost of € 389,000, which was slightly below the € 366,000 of UBS Warburg, the corporate and capital markets division of the UBS group, whose workforce represented 22% of the group total. The per capita cost of labour for these two banks excluding investment banking falls to € 125,000.

In Germany, Deutsche Bank and Dresdner Bank had higher than average per capita labour costs, at € 143,000 and € 110,000 respectively. Deutsche Bank's costs in this area soared by 51% in 1999, coinciding with its acquisition of Bankers Trust, whereas Dresdner Bank saw an 18% increase in 2001 following its acquisition of merchant bank Wasserstein Perella.

TABLE I. 6 – LEADING EUROPEAN BANKS: TOTAL INCOME AND LABOUR COST PER EMPLOYEE

	Total income per employee (1)			Labour cost per employee (1)				
	2001	% change over 1996		2001	% change over 1996			
	EUR '000	EUR (a)	*Local currency* (a')	EUR '000	EUR (b)	*Local currency* (b')	a/b x	a'/b'
Benelux	162.9	18.9	*20.8*	66.0	24.8	*26,9*	0.8	0.8
France	179.3	33.6	*34.6*	69.1	26.1	*27.1*	1.3	1.3
Germany	212.8	33.7	*35.5*	98.3	60.2	*62.3*	0.6	0.6
Italy	158.9	14.8	*17.2*	55.0	-9.2	*-7.3*	n.a.	n.a
Sweden and Denmark	192.2	28.0	*32.0*	62.1	35.8	*39.1*	0.8	0.8
Switzerland	398.0	77.3	*56.9*	218.8	119.2	*94.0*	0.6	0.6
Spain	134.0	42.7	*46.1*	43.4	13.7	*16.3*	3.1	2.8
United Kingdom	191.5	65.2	*36.9*	55.0	44.0	*19.4*	1.5	1.9
Europe	**191.4**	**42.5**	***33.8***	**74.3**	**42.1**	***35.8***	**1.0**	**0.9**

(1) Calculated excluding insurance activities insofar as is possible based on available figures.

Operating results

Income earned by the banks covered in this survey virtually doubled in terms of volume between 1995 and 2001, from € 209bn to € 405bn, principally as a result of the banks' growth in size, as described above. Interest margin as a percentage of total income fell by almost 16 percentage points from 59.5% in 1995 to 43.7% in 2000, only to rise by 1.5 percentage points in 2001. This was offset by a rise in fee income, which in 1995 accounted for 27.7% of the total, but which in 2001 was a full 10 percentage points higher at 37.7%. Profits from securities trading also increased their contribution to total earnings by 3.6 percentage points, whereas dividends received remained more or less stable at 3-4%, including profits earned and/or losses incurred pro-rata by associated companies valued according to the equity method.

The trend in current pre-tax profit as a percentage of total income has been upwards, rising from 22.6% in 1995 to 25.3% in 2001, with falls of 1.6 percentage points in 1998 and especially of 5.2 percentage points in 2001. This was helped by the reduction in operating cost ratio, which continued until 2000. The cost/income ratio actually fell by 3.3 percentage points in the course of the period under review from 66.4% to 63.1% (cf. Table II. 4). The fall in current profit as a percentage of total income in 1998 was due solely to higher provisions for loan losses to cover the financial crises in South-East Asia and Russia, which reached 11.2% of total income, the highest value recorded in the five years under review. Meanwhile, the 2001 decline was due to a rise of 2.5 percentage points in the cost/income ratio to 65.6%, and to higher provisions for loan losses, following the crisis in Argentina and the general decline in credit quality, which returned to their average five-year values after having been exceptionally low in 2000.([6])

[6] Total non-performing loans at the year-end remained at around 1% of total loans and advances to customers, as we shall see in the next section. It should also be pointed out that this indicator has become significantly less meaningful as a result of the numerous securitizations which have taken place over recent years.

Pre-tax profit virtually tripled between 1995 and 2000, rising from € 46bn to € 126bn in absolute terms, and from 22.1% to 32.5% as a percentage of income. However, in 2001 it fell back to € 98bn, or 24.2% of total income.

Among extraordinary items, especially noteworthy are the increases in: i) the amortization of goodwill, which went from € 1bn in 1995 to € 9.7bn in 2001, in tandem with the increase in the corresponding item under balance sheet assets, and ii) other extraordinary items since 1998, principally gains on disposals of fixed assets, and value adjustments on fixed assets in 2001, which totalled € 5bn, as compared with relatively insignificant amounts in previous years.

Net profit for 2001 stood at € 65.4bn, or 16.2% of income, almost a quarter higher than in the previous year. The tax rate, measured in relation to gross profit, was up over 30% until 1998, then fell back to around 26% in 2000 and 2001, partly due to a reduction in corporate income tax which was implemented in several countries across Europe as of 1998, notably from 46-59% to 35-40% in Germany, from 40% to 30% in France, and from 16-32% to 14-30% in Switzerland.

The aggregate ROE for the banks considered in this survey rose appreciably between 1995 and 2000, up from 9.9% to 17.8%, before falling abruptly to 11.6% in 2001, a decline of 6.2 percentage points over the previous year. In similar fashion, ROA fell from 0.6% in 2000, the best performance in the five-year period, to 0.4% in 2001.

TABLE I.7 – LEADING EUROPEAN BANKS: PERFORMANCE INDICATORS

	1995	2000	2001	Change	
	as % of total income				
	a	*b*	*c*	*b-a*	*c-b*
Interest margin	59.5	43.7	45.2	- 15.8	1.5
Commission (net)	27.7	38.7	37.7	11.0	- 1.0
Other income	12.8	17.8	17.1	5.0	- 0.7

(*cont.*)

	1995	2000	2001	Change	
	as % of total income				
	a	*b*	*c*	*b-a*	*c-b*
Cost / income ratio	66.4	63.1	65.6	- 3.3	2.5
Bad debts written off (net of recovered)	11.0	6.4	9.1	- 4.6	2.7
Current pre-tax profit	22.6	30.5	25.3	7.9	- 5.2
Net profit	13.8	22.4	16.2	8.6	- 6.2
ROE (1) (%)	9.9	17.8	11.6	7.9	- 6.2
ROA (2) (%)	0.4	0.6	0.4	0.2	- 0.2

(1) Return on equity (net profit as % of shareholders' equity less net profit).
(2) Return on assets (net profit as % of total assets).

Financial statements

Total assets doubled from € 8,187bn to € 16,358bn during the period under review([7]), partly as a result of M&A activity, as mentioned earlier. Loans and advances to customers fell by over 5 percentage points in relative terms over the period, declining from 49.2% of the total in 1995 to 43.9% in 2001. Meanwhile, liquidity rose, with fixed-interest securities lending rising from 16.2% to 20.7% of the total in the course of the five years. This change is presumably linked to the increasing tendency to cut out the middle man and to increased activity on financial markets, as shown by the higher contribution to P&L from the item 'gains (losses) on dealing transactions'.

Funding from clients as a percentage of total assets also fell from 60.9% in 1995 to 59.3% in 2001, after reaching a low of 58.1% in 2000. Of the different forms of funding, bonds and subordinated liabilities increased their weight of the total from 33% in 1995 to 36.5% in 2001, offsetting a corresponding fall in the size of deposits. The balance of interbank accounts has been consistently on the liability side during the period, but grew as a proportion of total assets from 3.4% in

[7] The aggregate value of balance sheet assets for the top 10 U.S. banks between 1995 and 2001 also doubled on a like-for-like basis, from USD 1,966bn to USD 3,859bn, but remained virtually unchanged for Japanese banks over the same period, moving just from JPY 585,911bn to JPY 590,258bn (*Source*: The Banker, various issues).

1995 to 5.2% in 2001. The reason for the negative balance of this item is the fact that the deposits were by smaller banks.

The ratio between total lendings, cash and liquid assets on the one hand and total funding on the other grew from 102.1% in 1995 to 103.2% in 1998, then gradually fell back to 101.5% in 2001. Meanwhile, fixed assets increased their contribution to the total both in absolute and relative terms, rising from 2.4% to 3.0% as a percentage of assets, and from 57.4% to 71.4% as a percentage of shareholders' equity. Such growth is principally attributable to goodwill, which grew from € 7bn to € 199bn in absolute terms between 1995 and 2001, from 0.1% to 0.7% as a percentage of the balance sheet total, and from 2.1% to 16.9% as a percentage of shareholders' equity. This last item has managed to keep up with the growth in assets, maintaining its contribution to the total at around 4%.([8])

TABLE I.8 – LEADING EUROPEAN BANKS: CHANGES TO DIFFERENT BALANCE SHEET ITEMS

	1995	2001	Change
	as a % of total assets		
Loans and advances to customers	49.2	43.9	- 5.3
Fixed-interest securities	16.2	20.7	4.5
Equity shares	1.4	2.8	1.4
Fixed assets (1)	2.4	3.0	0.6
Funding from customers (2)	60.9	59.3	- 1.6
Deposits by banks (3)	3.4	5.2	1.8
Shareholders' equity	3.9	3.8	- 0.1

(1) Interests in subsidiaries and associates plus net tangible and intangible assets plus goodwill.

(2) Customer deposits plus debt securities and certificates of deposit plus subordinated liabilities.

(3) Net of loans and advances to banks.

[8] The minimum solvency margin requirement under the Basle Agreement, calculated as a ratio between net equity and risk assets weighted on the basis of their degree of risk (the core capital ratio) is 4%.

In the past three years, the volume of indirect funding from customers, or assets under management, has been on average 83% of direct funding. The data from a significant subset of the sample show modest growth in 2001 of 2.3% over the previous year to € 7,807bn, after the 23.3% increase recorded in 2000. The German banks for which data is available reflected a fall of 8% in 2001, whereas Italian banks declined by 5.8%.

	1999	2000	2001
Assets under management (EUR bn) (1)	6,187	7,630	7,807
Index number	*100.0*	*123.3*	*126.2*

(1) Figures on a like-for-like basis for 29 groups representing 82% of total assets as at year-end 2001.

In terms of asset quality, the non-performing loans ratio, i.e. NPLs as a percentage of total lendings to clients, was around 1% in 2001, identical to that in 2000, but NPLs rose slightly as a percentage of net capital from 9.9% to 10.2%. These ratios were much lower than in previous years, with the trend being ongoing and consistent. The non-performing loans ratio fell from 2.3% in 1995 to 1% in 2000, whereas NPLs as a percentage of net capital went from 24.7% to 9.9% over the same period of time.([9]) This is due in part to increasing use over recent years of securitization, which has made these ratios less meaningful. A breakdown by individual bank is given under Table I. 13.

Another aspect to be borne in mind is the valuation of securities portfolios, a portion of which is generally made up of investment or non-trading securities, inasmuch as such securities are likely to be held until maturity or at least in the long term on the basis of decisions taken by a bank's Board of Directors. Securities portfolios are generally

[9] The data given, although meaningful and indicative of trends over the period, cannot lay claim to the same degree of representativeness. For 2000 and 2001, they refer to groups which account for 80% and 86% respectively of total aggregate loans and advances to clients, whereas the 1995 figure represents only 40% of the total.

valued at cost ([10]), unlike trading securities, which are valued according to market prices at the end of the period concerned. Adopting such principles involves over-valuation of the corresponding item under balance sheet assets, and lower securities writedowns charged to P&L when stock market prices are falling. In 2001, the share of investment (as opposed to trading) securities was on average 39.3% of the total securities portfolio, down 5.6 percentage points over the previous year. This figure falls to 36.1% if we exclude securities held by banks which have adopted a new accounting principle involving stating investment securities at market value.([11])

TABLE I. 9 – LEADING EUROPEAN BANKS: BREAKDOWN OF SECURITIES PORTFOLIO

		2000	2001	Change
Investment securities	EUR bn	1,295	1,324	29
of which: stated at cost	EUR bn	*1,295*	*1,216*	*- 79*
Non-investment securities	EUR bn	1,588	2,048	460
Total fixed-interest securities (1)	EUR bn	2,883	3,372	489
Investment securities / Total fixed-interest securities	(%)	*44.9*	*39.3*	*- 5.6*
Stated at cost investment securities / Total fixed-interest securities	(%)	*44.9*	*36.1*	*- 8.8*

(1) Excluding Crédit Mutuel, for which no such breakdown was available.

[10] The most commonly adopted principle is that of amortized cost, on the basis of which the difference between the acquisition and redemption price of a security is written down in or written back to profit and loss on the basis of its outstanding maturity.

[11] This is IAS 39, adopted by German banks Commerzbank and Dresdner Bank and by Switzerland's UBS. Under this principle, which is to be adopted as of 2001, financial assets must be stated at fair value, apart from held-to-maturity assets for which the amortized cost principle must be applied. The above banks stopped classifying portfolio securities as held-to-maturity in 2001. Likewise, Deutsche Bank adopted U.S. GAAP in 2001 following its listing on NYSE in October of that year, and stated its entire securities portfolio at fair value.

Total capital ratio, i.e. the ratio between total assets and risk-weighted assets, was on average 11.1% in 2001, very much in line with that recorded the previous year, whereas the figure for the first half of 2002 reflects an increase to 11.5%. Individual banks' solvency margins are given in Table I. 14. The highest margins were recorded by the two Swiss banks and by KBC of Belgium, the lowest by Scandinavian group Nordea, U.K.-based Lloyds TSB, Crédit Agricole and the German *Landesbanken*.

There were capital increases worth a total of € 247bn between January 1996 and December 2001, including rights issues and shares issued to fund acquisitions. Of this latter category, those made in connection with mega-mergers totalled € 120bn([12]) (see above), just under half the total issued. During the same period, € 127.8bn was paid out in dividends, and some € 18.6bn in own shares bought back. Dividends paid out rose in absolute terms from € 14bn in 1996 to € 33.6bn in 2001, whereas the payout ratio (dividends paid as a ratio of earnings for the year) fell by over 11 percentage points, from 46.6% in 1996 to 35.5% in 2000 before rising again to 54.6% in 2001. Dividends paid in 2001 rose by 15.3% over the previous year, despite a fall of almost 25% in aggregate net earnings. Table I. 10 shows how dividends paid out were almost 1.2 times the cash proceeds from rights issues net of cost for the buyback of own shares between 1996 and 2001, leading to a net outflow of € 19bn. Net earnings from operations for the same period came to a total of € 333.5bn. Retained earnings were thus the main instrument by which volume of funds was kept at a level capable of matching the increase in assets.

[12] This does not include the Allianz shares worth € 2bn exchanged by HVB as part of its acquisition of Bayerische Hypotheken- und Wechsel Bank.

TABLE I.10 – LEADING EUROPEAN BANKS: RIGHTS ISSUES, SHARE BUYBACKS AND DIVIDENDS

	Rights issues (1)	Share buybacks (2)	Dividends paid	
	EUR bn (a)	EUR bn (b)	EUR bn (c)	c / (a-b)
1996	6.7	3.4	14.0	4.2
1997	14.3	1.3	14.0	1.1
1998	15.8	3.4	17.5	1.4
1999	18.9	6.2	21.8	1.7
2000	45.4	3.4	26.9	0.6
2001	26.2	0.9	33.6	1.3
Total	**127.3**	**18.6**	**127.8**	**1.2**

(1) Excluding share exchanges made as part of the acquisitions listed under Table I .3.
(2) Net of treasury stock sold.

1H 2002

The aggregate profit and loss account for 1H 2002 is given in Table I. 11, and the net aggregate balance sheet as at 30 June 2002 in Table I. 12. The figures are for the 30 groups which report on an interim basis. Net profit for the first half of the year came out at € 31bn, down 21.4% over the same period in 2001. Current pre-tax profit also fell from € 57.3bn in 1H 2001 to € 51.8bn, and from 29.7% to 27.5% as a percentage of total income. The decline in current profit is almost wholly due to bad debts written off rising by € 5.6bn versus 1H 2001 to € 16.9bn. The corresponding ratio as a percentage of income reflected a three percentage point rise from 5.9% to 8.9%. Total income fell by € 4.3bn in 2002, more than offset by the € 4.4bn reduction in operating costs. This represents the balance between an improvement in the interest margin from 43.1% of the total to 47.4%, and lower fee and other operating income due to poor performances from asset management and investment banking activities, along with a fall in profits from securities trading. In absolute terms, over 60% of the fall in operating costs is due to lower staff costs, which fell by 0.6 of a point as a percentage of total income over the previous six months. This was the result of a reduction of approx. 1% in the headcount as compared with 31 December 2001, and a cut in annual bonuses paid by affiliated investment banking units. The cost-income ratio improved by 0.8 of a percentage point, from 64.4% in 2001 to 63.6% in 2002. Extraordinary items also contributed to the overall poor performance, declining by almost € 5bn from a € 2.4bn gain in 2001 to a € 2.6bn loss in 2002, only partially offset by lower taxes and profit attributable to minorities.

TABLE I.11 – 1H 2002 PROFIT AND LOSS ACCOUNT

	6 months ended 30 June 2001		6 months ended 30 June 2002		Change
	EUR m	%	EUR m	%	%
Interest margin	82,995	*43.1*	89,224	*47.4*	7.5
Commissions (net)	60,673	*31.5*	58,966	*31.3*	- 2.8
Other operating income	49,047	*25.4*	40,172	*21.3*	- 18.1
Total income	**192,715**	***100.0***	**188,362**	***100.0***	**- 2.3**
Labour costs	-72,754	*-37.8*	-70,043	*-37.2*	- 3.7
General expenses	-43,062	*-22.3*	-41,250	*-21.9*	- 4.2
Bad debts recovered (written off)	-11,300	*-5.9*	-16,863	*-8.9*	49.2
Depreciation and amortization	-8,336	*-4.3*	-8,426	*-4.5*	1.1
Current pre-tax profit	**57,263**	***29.7***	**51,780**	***27.5***	**- 9.6**
Extraordinary items	2,416	*1.3*	-2,634	*-1.4*	n.c.
Profit before tax	**59,679**	***31.0***	**49,146**	***26.1***	**- 17.6**
Taxation	-16,740	*-8.7*	-15,145	*-8.0*	- 9.5
Profit attributable to minorities	-3,486	*-1.8*	-3,002	*-1.6*	- 13.9
Net profit	**39,453**	***20.5***	**30,999**	***16.5***	**- 21.4**

With regard to the balance sheet situation as at 30 June 2002, there was a major fall in customer deposits, which, at € 8,208bn, were down € 224bn over the entire year-end figure, a fall of 2.7% in absolute terms and of 1.1 percentage points as a proportion of total assets. On the asset side, there was a € 72bn decrease in loans and advances to customers, or 0.2 points as a percentage of total assets, whereas cash and central bank deposits rose by € 144bn, or 1.2 percentage points. The balance between loans and advances to banks and deposits by banks was again in the red, but 0.2 percentage points better than at year-end 2001. Shareholders' equity fell in absolute terms as a result of dividends for 2001 being paid out, but was more or less stable as a percentage of total income.

TABLE I. 12 – AGGREGATE BALANCE SHEET AS AT 30 JUNE 2002

	Year ended 31/12/2001		6 months ended 30/6/2002		Change
	EUR m	%	EUR m	%	%
Cash and central bank deposits	157,898	*1.1*	152,734	*1.1*	- 3.3
Fixed-interest securities (1)	3,340,659	*23.6*	3,489,572	*24.8*	4.5
Loans and advances to banks	1,811,704	*12.8*	1,950,628	*13.9*	7.7
Loans and advances to customers	6,370,966	*45.0*	6,299,397	*44.8*	- 1.1
Interests in subsidiaries and associated	183,746	*1.3*	159,470	*1.1*	- 13.2
Net tangible assets	146,160	*1.0*	135,033	*1.0*	- 7.6
Other assets	2,158,191	*15.2*	1,878,009	*13.3*	- 13.0
Total assets	**14,169,324**	***100.0***	**14,064,843**	***100.0***	**- 0.7**
Customer deposits	5,648,855	*39.9*	5,482,526	*39.0*	- 2.9
Debt securities and certificates of deposit	2,460,366	*17.3*	2,413,141	*17.2*	- 1.9
Subordinated liabilities	322,475	*2.3*	312,435	*2.2*	- 3.1
Total funding from customers	*8,431,696*	*59.5*	*8,208,102*	*58.4*	*- 2.7*
Deposits by banks	2,637,514	*18.6*	2,799,356	*19.9*	6.1
Other liabilities	2,458,935	*17.4*	2,444,718	*17.4*	- 0.6
Total liabilities	**13,528,145**	***95.5***	**13,452,176**	***95.6***	**- 0.6**
Net worth	**641,179**	***4.5***	**612,667**	***4.4***	**- 4.4**
represented by:					
shareholders' equity	569,795	*4.0*	548,648	*3.9*	- 3.7
minority interests	71,384	*0.5*	64,019	*0.5*	- 10.3

(1) Including sundry shares.

APPENDIX 1 – Differences in group structure

Germany

The German banks included in our survey comprise six groups, all of which have certain features which could be described as unusual. Four of them are 'Landesbanken', i.e. public-owned or state banks, which operate *inter alia* as central banks for savings institutions in their local regions or *Länder*. These local savings banks own stakes in the *Landesbanken* via their associations, as do the regions or municipalities (so-called 'state capital'). In some cases, the *Landesbanken* also control the local savings banks, or have merged with them in the course of their history, and hence their role as central banks is complemented by commercial banking activities. The *Landesbanken* also provide other services, whether themselves or by means of subsidiaries, such as property loans, leasing, factoring, project finance, exchange and derivatives trading, equity investments and asset management. Most of them have built up a network outside Italy for the benefit of their associated savings banks, and some of them have even expanded by acquiring other local banks. They have a 'public mission', which can include loans under pledge, equity investments in projects in the public interest, even holdings in companies which operate lotteries or casinos. Obligations undertaken by *Landesbanken* are backed by unlimited state guarantees issued by their guarantor shareholders.([13])

DZ Bank functions as a central bank to over 80% of the Volkbanken and Raiffeisenbanken (German local co-operative banks)

[13] The European Commission has now ruled that such guarantees are in breach of free market principles, insofar as they are issued by public authorities and hence akin to government subsidies. An agreement was reached in July 2001 between the Commission and the German Federal Government, the *Länder* and the savings bank associations whereby 'after a transitional phase ending 18 July, 2005, institutional liability and guarantor liability will be abolished'. The *Landesbanken* are currently preparing to spin off their public mission activities from their competitive businesses, on the basis of EC directives.

which own in excess of 90% of its share capital.([14]) Like the *Landesbanken*, it provides services such as real estate loans, leasing, insurance and asset management, both itself and via its subsidiaries. It also has international operations, with several branches outside Germany. Lastly, Kreditanstalt für Wiederaufbau (KfW) is a state-owned bank granting mid-long term loans to businesses, residential construction and infrastructure firms *inter alia* in the form of project finance. It promotes and finances investment projects in developing countries, and supports German enterprise abroad. Features which all of these banks have in common and which distinguish them from other banks in this survey are: no or limited agency networks; relatively low headcounts; funding, which is focused on bond issues, time deposits and deposits held by other banks; and (except for KfW) providing services on behalf of small-mid size associated banks.

France

Two of the French banks featured here are co-operatives, namely Crédit Agricole and Crédit Mutuel. Crédit Agricole underwent large-scale changes in 2001, which led to the setting up of Crédit Agricole S.A. and its listing on 14 December of that year. The Crédit Agricole 'group' has an inverse pyramidal structure, with the local co-operative banks at the top, which as at March 2002 numbered 2,666 and have around 5.5m shareholders. These own the regional banks or Caisses Régionales de Crédit Agricole, now Crédit Agricole S.A. Crédit Agricole S.A. acts as a central bank, guaranteeing the group's financial cohesion. It engages in treasury operations, and redistributes the regional banks' surplus

[14] In September 2001, but with effect as of 1 January 2001, DG Bank merged with GZ-Bank, another central bank for German co-operative banks, and changed its name to DZ Bank. GZ-Bank had itself merged with GZB-Bank with effect as of 1 January 2000, changing its name from SGZ-Bank to GZ-Bank.

funds. It also oversees common areas of operations via its subsidiaries, and promotes international growth. Unlike the German *Landesbanken*, until 2000 Crédit Agricole's consolidated balance sheet included the local banks, the regional banks and the central bank, giving a total of 3,000 consolidated entities. Alongside it is the Fédération Nationale du Crédit Agricole, which represents and co-ordinates the regional banks and the group as a whole, but which is not consolidated. In November 2001, the regional banks transferred their holdings in jointly-owned service companies, principally in the areas of life insurance, asset management and consumer credit, to Caisse Nationale de Crédit Agricole, which thereupon changed its name to Crédit Agricole S.A. in exchange for newly-issued shares. Thereafter, a new holding company was set up under the name SAS Rue la Boétie, to which the regional banks transferred all the Crédit Agricole shares they owned. After Crédit Agricole S.A. shares were placed with the public in December 2001, SAS Rue la Boétie came to own around 70% of its share capital. In turn, Crédit Agricole S.A. also acquired a 25% stake in each regional bank following the issue of reserved ownership certificates, i.e. blocks of shares without voting rights. Crédit Agricole's consolidated 2001 results include only the companies owned by Crédit Agricole S.A., whereas the 25% stakes in the regional banks are valued on an equity basis.

Crédit Mutuel also has a three-tier inverse pyramidal structure, rather like that of Crédit Agricole. At the top are 1,820 local banks, which are co-operative institutions with variable share capital and some 5.7m shareholders. These are grouped into 18 Fédérations Régionales, which are made up of one federative body and one Caisse Fédérale, alongside which are the Fédération du Crédit Mutuel Agricole et Rural, which operates at the national level in its sector of competence. The shareholders of the regional Caisse Fédérale are the local banks, and all the local banks are associates of the Fédération Régionale, which represents, directs and oversees but does not engage in banking activities, which are the remit of the Caisse Fédérale. Operating on a national level, there are the Confédération National, which is a representative body, and the Caisse Centrale du Crédit Mutuel, a national financial organism which is owned by the Caisses Fédérales.

Crédit Mutuel's consolidated figures include the 18 Fédérations Régionales, the Fédération du Crédit Mutuel Agricole et Rurale, and the Caisse Centrale, as well as their respective subsidiaries, making for a total of 32 consolidated companies, whereas the local banks are not included, and neither is the Crédit Industriel et Commercial – CIC Group (formerly Union Européenne de CIC), in which a stake of 67% was acquired in the first instance, rising to in excess of 94% by the end of 2001 after the acquisition of Groupama-GAN's holding. Figures given for the Crédit Mutuel group in the Tables here represent the aggregate of the two groups as of 1998.

There are also two other French banks which have an associative structure along the lines outlined above but which were set up more recently, namely Groupe Caisse d'Epargne and Groupe Banques Populaires. Groupe Caisse d'Epargne was set up in 1999, the first year for which consolidated reports are available. Its main body is the Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCE), 65% of which is owned by 34 local savings banks, which in turn are owned by 451 local savings institutions, and the remaining 35% by the Caisse des Dépôts et Consignations. CNCE also owns Crédit Foncier de France.([15]) Groupe Banques Populaires was set up in May 2001, and the only consolidated accounts available for it are those for that year. Its central body is Banque Fédérale des Banques Populaires, which operates nationally and is owned by 29 co-operative banks. These two groups have not been included in our survey, because it is not possible to reconstruct historical data for them on a like-for-like basis.

[15] In 2001, the Caisse d'Epargne and Caisse des Dépots groups set up Compagnie Financière Eulia, with Caisse de Dépots et Consignations owning 51.1% and CNCE 49.9%. This company operates in *bancassurance*, asset management, private banking, investment banking and real estate, all areas common to the two shareholders. The joint venture became operative in 2002.

APPENDIX 2 – Insurance

The banks included in this survey generally engage in insurance via subsidiaries, either insurance companies or other specialist operators. These activities are accounted for differently in the respective consolidated accounts of the countries involved. For example, such activities are not included in consolidated accounts in Italy, Spain and Denmark, whereas in France, they have been consolidated using the line-for-line method since 1999, having previously been consolidated on an equity basis. In Holland, Belgium, Switzerland and Germany, they have been consolidated on the line-for-line basis for the entire five-year period, although of the German banks only Deutsche Bank and DZ Bank (and the latter only as of this year) included insurance activities in their consolidated accounts. U.K. banks, on the other hand, value long term assurance business using the 'embedded value method'. This method includes a prudent valuation of the discounted future earnings expected to emerge from business currently in force, taking into account factors such as recent experience and general economic conditions, together with the surplus retained in the long-term assurance funds. These are determined annually. Changes in the value placed on interest in long-term assurance business are reported in the profit and loss account.

In the aggregate figures given in this survey, pre-tax profit (loss) from insurance business is included in the item 'Commissions receivable and other operating income' in the profit and loss account, and in the balance sheet, investments have been reported under 'Other assets' and insurance funds under 'Other liabilities'.

TABLE I.13 - NON-PERFORMING LOANS

COMPANIES (2)	COUNTRY	TOTAL NON-PERFORMING LOANS (1)					
		1999	2000	2001	1999	2000	2001
		(% of loans and advances to customers)			(% of net worth)		
BANCO BILBAO VIZCAYA ARGENTARIA (3)	ES	-	-	-	-	-	-
BANCO SANTANDER CENTRAL HISPANO (3)	ES	-	-	-	-	-	-
LLOYDS TSB GROUP (3)	GB	-	-	-	-	-	-
BAYERISCHE HYPO- UND VEREINSBANK (3)	DE	-	-	o	-	-	0.2
THE ROYAL BANK OF SCOTLAND GROUP	GB	0.7	0.4	0.4	7.9	2.7	3.0
DANSKE BANK	DK	0.7	0.4	0.4	7.9	6.3	5.8
HSBC HOLDINGS	GB	0.9	0.8	0.5	6.1	3.9	2.7
COMMERZBANK	DE	0.2	0.4	0.5	3.9	6.5	9.6
BARCLAYS	GB	0.6	0.6	0.6	6.7	6.6	6.7
NORDEA	SE	1.2	0.6	0.6	14.4	7.4	7.2
DEXIA	BE	0.2	0.4	0.7	4.1	5.6	10.1
DRESDNER BANK	DE	0.7	0.8	0.9	12.0	14.3	9.8
SANPAOLO IMI	IT	2.3	1.0	1.0	19.8	12.6	10.5
RABOBANK NEDERLAND	NL	…	1.1	1.0	…	12.2	10.7
UBS	CH	1.5	1.2	1.1	14.4	7.5	6.9
KBC	BE	0.7	0.7	1.1	5.9	5.4	9.1
HBOS (4)	GB	-	-	1.1	-	-	15.0
SOCIÉTÉ GÉNÉRALE	FR	1.0	0.8	1.2	11.8	9.4	13.2
DEUTSCHE BANK	DE	…	…	1.3	…	…	13.0
ABBEY NATIONAL	GB	1.9	1.6	1.3	24.0	18.1	13.2
CREDIT MUTUEL (5)	FR	…	1.5	1.5	…	10.2	10.2
UNICREDITO ITALIANO	IT	2.1	1.8	1.6	22.7	17.9	14.7
BNP PARIBAS	FR	1.8	1.7	1.7	16.5	15.6	13.7
CREDIT SUISSE GROUP	CH	…	1.9	1.7	…	13.6	13.7
ABN AMRO HOLDING	NL	1.8	1.6	1.7	26.4	26.8	33.1
CREDIT AGRICOLE	FR	1.9	1.7	2.1	17.2	14.7	26.4
FORTIS	BE/NL	2.4	2.1	2.4	18.6	16.5	22.7
CREDIT LYONNAIS	FR	2.5	2.6	2.4	26.9	25.7	23.6
INTESABCI	IT	4.0	3.5	3.0	50.7	43.6	37.1
BANK OF SCOTLAND (6)	GB	o	0.4	-	0.6	5.4	-
HALIFAX GROUP (6)	GB	1.3	1.1	-	17.5	14.2	-
Average (7)		**1.1**	**1.0**	**1.0**	**12.7**	**9.9**	**10.2**

(1) Net of provisions.
(2) No three-year figures available for companies listed in Table III not appearing here.
(3) No figure means NPLs have been written down as to their entire value.
(4) Company set up in 2001 after the merger between Bank of Scotland and Halifax Group.
(5) Figures include Crédit Industriel et Commercial-CIC.
(6) Merged to form HBOS in 2001.
(7) For 26 groups in 1999 and 29 in 2000 and 2001.

TABLE I.14 - CAPITAL ADEQUACY RATIOS

COMPANIES	COUNTRY	TOTAL CAPITAL RATIO (1)		
		31/12/2000	31/12/2001	30/6/2002
		(as a % of risk-weighted assets)		
CREDIT SUISSE GROUP	CH	18.2	15.7	15.5
KBC	BE	16.0	14.7	14.7
UBS	CH	15.7	14.8	14.5
FORTIS	BE/NL	11.8	13.5	13.5
HSBC HOLDINGS	GB	13.3	13.0	13.5
BARCLAYS	GB	11.0	12.5	12.9
DEUTSCHE BANK	DE	12.6	12.1	12.8
BANCO BILBAO VIZCAYA ARGENTARIA	ES	11.9	12.6	12.5
THE ROYAL BANK OF SCOTLAND GROUP	GB	11.5	11.5	11.8
UNICREDITO ITALIANO	IT	8.5	11.0	11.7
BNP PARIBAS	FR	10.1	10.6	11.6
DEXIA	BE	9.8	11.5	11.5
SOCIÉTÉ GÉNÉRALE	FR	12.5	11.5	…
ABBEY NATIONAL	GB	13.5	11.5	11.3
DRESDNER BANK	DE	11.8	11.4	11.0
HBOS (2)	GB	-	10.6	11.0
CREDIT LYONNAIS	FR	11.0	10.1	11.0
BANCO SANTANDER CENTRAL HISPANO	ES	10.9	12.8	10.9
ABN AMRO HOLDING	NL	10.4	10.9	10.8
COMMERZBANK	DE	9.9	10.3	10.5
DANSKE BANK	DK	9.6	10.3	10.4
ING GROEP	NL	10.7	10.6	10.3
RABOBANK NEDERLAND	NL	10.6	10.5	10.3
BAYERISCHE HYPO- UND VEREINSBANK	DE	10.0	10.3	10.3
INTESABCI	IT	9.0	9.3	10.3
CREDIT MUTUEL (3)	FR	11.0	10.3	…
BANKGESELLSCHAFT BERLIN	DE	5.1	9.4	10.2
SANPAOLO IMI	IT	9.1	9.5	10.0
BAYERISCHE LANDESBANK	DE	10.1	9.7	…
NORDDEUTSCHE LANDESBANK	DE	9.0	9.7	…
CREDIT AGRICOLE	FR	10.2	9.1	9.6
WESTDEUTSCHE LANDESBANK	DE	9.8	9.6	…
LLOYDS TSB GROUP	GB	9.4	9.2	9.5
DZ BANK	DE	9.2	9.5	…
NORDEA	SE	9.4	9.1	8.9
KREDITANSTALT FUER WIEDERAUFBAU	DE	…	…	…
LANDESBANK BADEN-WUERTTEMBERG	DE	…	…	…
BANK OF SCOTLAND (4)	GB	11.6	-	-
HALIFAX GROUP (4)	GB	10.7	-	-
Average (5)		**11.0**	**11.1**	**11.5**

(1) Ratio between total assets and risk-weighted assets. According to Basle Bank for International Settlements (BIS) guidelines, the minimum requirement is 8%.
(2) Company set up in 2001 after the merger between Bank of Scotland and Halifax Group.
(3) Figures include Crédit Industriel et Commercial-CIC.
(4) Merged to form HBOS in 2001.
(5) For 36 groups in 2000, 35 in 2001 and 29 in 2002.

II. STATISTICAL TABLES

TABLE II.1 - PROFIT AND LOSS ACCOUNTS

	1995		1996		1997		1998		1999		2000		2001	
	EUR m	%	*EUR m*	%	*EUR m*	%	*EUR m*	%	*EUR m*	%	*EUR m*	%	*EUR m*	%
Interest receivable and similar income	504,543		509,181		556,267		599,852		617,991		765,887		795,928	
Interest payable and similar expenses	-380,297		-378,288		-416,064		-453,798		-458,454		-596,405		-612,863	
Interest margin	**124,246**	***59.5***	**130,892**	***57.3***	**140,202**	***54.0***	**146,054**	***51.9***	**159,537**	***48.6***	**169,481**	***43.7***	**183,064**	***45.2***
Commissions receivable and other operating income	70,713	*33.8*	80,904	*35.4*	101,820	*39.2*	118,442	*42.1*	147,631	*44.9*	178,825	*46.1*	184,315	*45.6*
Commissions payable and other operating expenses	-12,693	*-6.1*	-15,017	*-6.6*	-19,291	*-7.4*	-20,728	*-7.4*	-29,642	*-9.0*	-28,873	*-7.4*	-31,933	*-7.9*
Dividend and share of profits (loss)	6,879	*3.3*	7,891	*3.5*	9,701	*3.7*	10,576	*3.8*	11,640	*3.5*	15,367	*4.0*	16,074	*4.0*
Gains (losses) on financial transactions	19,813	*9.5*	23,722	*10.4*	27,353	*10.5*	26,989	*9.6*	39,356	*12.0*	53,448	*13.8*	53,095	*13.1*
Total income	**208,959**	***100.0***	**228,393**	***100.0***	**259,788**	***100.0***	**281,334**	***100.0***	**328,523**	***100.0***	**388,250**	***100.0***	**404,617**	***100.0***
Labour costs	-81,770	*-39.1*	-86,650	*-37.9*	-97,136	*-37.4*	-102,524	*-36.4*	-120,652	*-36.7*	-142,986	*-36.8*	-152,967	*-37.8*
General expenses	-46,308	*-22.2*	-49,972	*-21.9*	-58,126	*-22.4*	-64,600	*-23.0*	-71,944	*-21.9*	-83,755	*-21.6*	-93,638	*-23.1*
Bad debts recovered (written off)	-22,926	*-11.0*	-24,273	*-10.6*	-23,965	*-9.2*	-31,515	*-11.2*	-26,197	*-8.0*	-24,926	*-6.4*	-36,674	*-9.1*
Depreciation and amortization	-10,736	*-5.1*	-11,619	*-5.1*	-12,405	*-4.8*	-13,426	*-4.8*	-15,484	*-4.7*	-18,242	*-4.7*	-18,824	*-4.7*
Current pre-tax profit	**47,217**	***22.6***	**55,877**	***24.5***	**68,154**	***26.2***	**69,268**	***24.6***	**94,244**	***28.7***	**118,340**	***30.5***	**102,513**	***25.3***
Amortization of goodwill	-1,035	*-0.5*	-1,156	*-0.5*	-2,925	*-1.1*	-3,389	*-1.2*	-3,370	*-1.0*	-5,640	*-1.5*	-9,733	*-2.4*
Transfer to credit risk provision	-369	*-0.2*	-1,298	*-0.6*	-814	*-0.3*	-339	*-0.1*	-247	*-0.1*	-1,108	*-0.3*	-204	*-0.1*
Transfers from (to) reserves	-706	*-0.3*	-2,336	*-1.0*	-2,073	*-0.8*	-770	*-0.3*	-2,460	*-0.7*	-761	*-0.2*	-288	*-0.1*
Fixed asset revaluations (writedowns)	-588	*-0.3*	-1,161	*-0.5*	220	*0.1*	-966	*-0.3*	139	*0.0*	-725	*-0.2*	-5,025	*-1.2*
Extraordinary items	1,559	*0.7*	-962	*-0.4*	-2,149	*-0.8*	10,452	*3.7*	11,445	*3.5*	16,070	*4.1*	10,716	*2.6*
Profit (loss) before tax	**46,078**	***22.1***	**48,962**	***21.4***	**60,412**	***23.3***	**74,255**	***26.4***	**99,751**	***30.4***	**126,175**	***32.5***	**97,979**	***24.2***
Taxation	-15,011	*-7.2*	-17,545	*-7.7*	-18,754	*-7.2*	-23,766	*-8.4*	-28,855	*-8.8*	-32,548	*-8.4*	-25,927	*-6.4*
Profit attributable to minorities	-2,282	*-1.1*	-2,607	*-1.1*	-3,405	*-1.3*	-3,207	*-1.1*	-4,228	*-1.3*	-6,535	*-1.7*	-6,624	*-1.6*
Net profit attributable to parent company	**28,783**	***13.8***	**28,809**	***12.6***	**38,252**	***14.7***	**47,280**	***16.8***	**66,667**	***20.3***	**87,091**	***22.4***	**65,426**	***16.2***
Dividends declared	*13,153*	*6.3*	*13,418*	*5.9*	*17,216*	*6.6*	*19,831*	*7.0*	*24,779*	*7.5*	*30,956*	*8.0*	*35,696*	*8.8*

TABLE II.2 - FINANCIAL STATEMENTS

		1995		1996		1997		1998		1999		2000		2001	
		EUR m	*%*	*EUR m*	*%*	*EUR m*	*%*	*EUR m*	*%*	*EUR m*	*%*	*EUR m*	*%*	*EUR m*	*%*
Cash and deposits at central banks		57,665	*0.7*	66,239	*0.7*	76,107	*0.7*	79,277	*0.7*	125,653	*1.0*	132,200	*0.9*	166,760	*1.0*
Fixed-interest securities		1,323,960	*16.2*	1,564,215	*17.4*	1,907,212	*18.2*	2,166,490	*19.2*	2,555,972	*19.6*	2,903,366	*19.3*	3,389,023	*20.7*
Loans and advances to banks		1,809,194	*22.1*	1,927,833	*21.4*	2,155,976	*20.6*	2,149,998	*19.1*	2,196,199	*16.8*	2,389,173	*15.9*	2,466,082	*15.1*
Loans and advances to customers		4,029,255	*49.2*	4,353,096	*48.3*	4,913,930	*46.9*	5,149,556	*45.7*	5,892,005	*45.1*	6,730,466	*44.8*	7,187,863	*43.9*
Loans, advances and cash		**7,220,075**	***88.2***	**7,911,384**	***87.8***	**9,053,226**	***86.4***	**9,545,321**	***84.7***	**10,769,830**	***82.4***	**12,155,206**	***80.9***	**13,209,729**	***80.8***
Equity shares		115,291	*1.4*	146,797	*1.6*	190,223	*1.8*	233,229	*2.1*	364,017	*2.8*	479,729	*3.2*	458,456	*2.8*
Interests in subsidiaries and associated		80,499	*1.0*	81,553	*0.9*	89,239	*0.9*	119,854	*1.1*	146,278	*1.1*	173,297	*1.2*	201,413	*1.2*
Intangible assets		3,154	*0.0*	3,187	*0.0*	4,592	*0.0*	6,144	*0.1*	7,309	*0.1*	19,128	*0.1*	18,447	*0.1*
Net tangible assets		107,310	*1.3*	108,651	*1.2*	116,377	*1.1*	122,444	*1.1*	135,895	*1.0*	151,070	*1.0*	163,921	*1.0*
Other assets		653,068	*8.0*	751,247	*8.3*	1,020,621	*9.7*	1,223,858	*10.9*	1,609,364	*12.3*	1,942,807	*12.9*	2,187,146	*13.4*
Total	**(a)**	**8,179,400**	***99.9***	**9,002,821**	***99.9***	**10,474,280**	***99.9***	**11,250,853**	***99.9***	**13,032,695**	***99.7***	**14,921,240**	***99.3***	**16,239,116**	***99.3***
Deposits by banks		2,084,985	*25.5*	2,278,982	*25.3*	2,569,204	*24.5*	2,574,354	*22.9*	2,834,841	*21.7*	3,201,798	*21.3*	3,320,987	*20.3*
Customer deposits		3,344,860	*40.9*	3,618,242	*40.1*	4,160,677	*39.7*	4,321,092	*38.4*	4,782,547	*36.6*	5,502,779	*36.6*	6,156,909	*37.6*
Debt securities and certif. of deposit		1,495,936	*18.3*	1,650,120	*18.3*	1,866,625	*17.8*	2,146,110	*19.1*	2,590,325	*19.8*	2,907,586	*19.3*	3,174,688	*19.4*
Subordinated liabilities		144,219	*1.8*	162,764	*1.8*	196,637	*1.9*	207,867	*1.8*	272,620	*2.1*	318,211	*2.1*	362,559	*2.2*
Total funding		**7,070,001**	***86.4***	**7,710,110**	***85.6***	**8,793,145**	***83.9***	**9,249,424**	***82.1***	**10,480,334**	***80.2***	**11,930,376**	***79.4***	**13,015,144**	***79.6***
Provision for employee benefits		20,456	*0.2*	20,795	*0.2*	21,051	*0.2*	25,712	*0.2*	29,278	*0.2*	41,324	*0.3*	36,755	*0.2*
Provision for deferred taxation		12,880	*0.2*	15,272	*0.2*	19,672	*0.2*	24,919	*0.2*	35,704	*0.3*	41,873	*0.3*	40,112	*0.2*
Credit risk provision		7,547	*0.1*	7,600	*0.1*	7,500	*0.1*	7,640	*0.1*	6,579	*0.1*	8,273	*0.1*	7,732	*0.0*
Other liabilities		730,591	*8.9*	896,900	*10.0*	1,230,049	*11.7*	1,501,482	*13.3*	1,981,183	*15.2*	2,362,250	*15.7*	2,554,702	*15.6*
Total liabilities	**(b)**	**7,841,478**	***95.8***	**8,650,678**	***96.0***	**10,071,418**	***96.1***	**10,809,179**	***96.0***	**12,533,080**	***95.9***	**14,384,099**	***95.7***	**15,654,447**	***95.7***
Goodwill	**(c)**	7,125	*0.1*	9,027	*0.1*	9,838	*0.1*	13,681	*0.1*	33,344	*0.3*	109,439	*0.7*	118,828	*0.7*
Net worth	**(a-b+c)**	**345,046**	***4.2***	**361,171**	***4.0***	**412,701**	***3.9***	**455,355**	***4.0***	**532,959**	***4.1***	**646,580**	***4.3***	**703,497**	***4.3***
represented by:			*0.0*		*0.0*		*0.0*		*0.0*		*0.0*		*0.0*		*0.0*
Issued share capital		60,913	*0.7*	62,006	*0.7*	66,271	*0.6*	68,629	*0.6*	72,274	*0.6*	71,769	*0.5*	85,270	*0.5*
Reserves		262,384	*3.2*	277,313	*3.1*	320,817	*3.1*	357,880	*3.2*	420,105	*3.2*	514,812	*3.4*	553,139	*3.4*
Own shares		-2,592	*0.0*	-3,942	*0.0*	-5,462	*-0.1*	-6,489	*-0.1*	-9,576	*-0.1*	-11,210	*-0.1*	-9,111	*-0.1*
Total		**320,706**	***3.9***	**335,377**	***3.7***	**381,627**	***3.6***	**420,021**	***3.7***	**482,803**	***3.7***	**575,372**	***3.8***	**629,299**	***3.8***
Minority interests		24,340	*0.3*	25,794	*0.3*	31,073	*0.3*	35,333	*0.3*	50,155	*0.4*	71,208	*0.5*	74,198	*0.5*
Funding from customers		**4,985,016**	***60.9***	**5,431,127**	***60.3***	**6,223,940**	***59.4***	**6,675,070**	***59.3***	**7,645,493**	***58.5***	**8,728,577**	***58.1***	**9,694,157**	***59.3***
Total assets	**(a+c)**	**8,186,525**	***100.0***	**9,011,849**	***100.0***	**10,484,119**	***100.0***	**11,264,534**	***100.0***	**13,066,040**	***100.0***	**15,030,679**	***100.0***	**16,357,944**	***100.0***

TABLE II.3 - DIPENDENTI

	1995	1996	1997	1998	1999	2000	2001
Total number of staff	1,655,066 (1)	1,705,721	1,805,734	1,876,825	1,979,830	2,120,516	2,186,251
of which: from country of origin (%) (2)	…	*73.8*	*69.5*	*67.3*	*65.3*	*58.4*	*54.0*
from elsewhere (%) (2)	…	*26.2*	*30.5*	*32.7*	*34.7*	*41.6*	*46.0*

(1) For 53 of the 56 companies subsequently considered.
(2) Figures for companies which cover 57% of the total number of staff in 1996 and 1997, 64% in 1998, 70% in 1999 and 88% in 2000 and 2001.

TABLE II.4 - FINANCIAL RATIOS

	1995	1996	1997	1998	1999	2000	2001
Funding from customers per employee ('000 EUR) (1)	2,970 (2)	3,240	3,562	3,675	3,990	4,252	4,585
Funding from customers per employee ('000 EUR) (1)	2,419 (2)	2,597	2,813	2,835	3,075	3,278	3,399
Labour cost per employee ('000 EUR) (1)	49 (2)	52	56	57	64	71	74
Cost / income ratio (%)	66.4	64.9	64.5	64.2	63.3	63.1	65.6
Bad debts written off as % of total income (3)	11.0	10.6	9.2	11.2	8.0	6.4	9.1
Dividends declared as % of net profit	45.7	46.6	45.0	41.9	37.2	35.5	54.6
ROE (%)	9.9	9.4	11.1	12.7	16.0	17.8	11.6
ROA (%)	0.4	0.3	0.4	0.4	0.5	0.6	0.4
Non performing loans as % of loans to customers (4)	2.3	1.8	1.3	1.2	1.1	1.0	1.0
Non performing loans as % of net worth (4)	24.7	20.8	15.4	14.0	12.7	9.9	10.2
Loans, advances and cash as % of total funding (%)	102.1	102.6	103.0	103.2	102.8	101.9	101.5
Fixed assets as % of net worth	57.4	56.0	53.3	57.6	60.6	70.1	71.4

Funding from customers = customer deposits plus debt securities and certificates of deposit plus subordinated liabilities.
Fixed assets = interests in subsidiaries and associates plus net tangible and intangible assets plus goodwill.
(1) Calculated excluding insurance activities insofar as is possible based on available figures.
(2) Figures cover Groups which accounted for 96.8% of total assets of the sample.
(3) Net of recovered.
(4) Figures cover Groups which accounted for 40.4% in 1995, 44.3% in 1996, 54.8% in 1997, 58.8% in 1998, 71% in 1999, 80% in 2000 and 85.6% in 2001 of loans to customers of the sample.

III. PRINCIPLES AND METHODS

The companies

The selected companies comprise the largest european banks. The criterion for selection is total assets. The banks, for selection, had to represent a significant contribution to european aggregate of total assets. Such significance was defined by adding them to the sample for so long as their contribution exceeded one per cent of the previous cumulative assets aggregate. Banks which contributed less than one per cent of such aggregate were not included.

Statistics

The statistics have been compiled on the basis of annual and interim consolidated figures, with the latter for the first six months of 2001 and 2002 only.

TABLE III - LIST OF COMPANIES

	Banks	2001 Financial Year		
		Total income	*Total assets*	*Employees*
		EUR m	*EUR m*	*No.*
1	DEUTSCHE BANK (DE) (#)	26,503	918,222	94,782
2	UBS (CH) (#)	25,756	845,166	70,530
3	BNP PARIBAS (FR) (#)	17,678	825,288	85,194
4	HSBC HOLDINGS (GB) (#)	29,438	789,080	176,682
5	BAYERISCHE HYPO- UND VEREINSBANK (HVB) (DE) (1) (#)	10,795	728,170	69,520
6	ING GROEP (NL) (#)	14,677	705,119	111,998
7	CREDIT SUISSE GROUP (CH) (#)	22,796	686,038	80,119
8	THE ROYAL BANK OF SCOTLAND GROUP (GB) (#)	22,325	606,051	105,700
9	ABN AMRO HOLDING (NL) #)	18,834	597,363	112,206
10	BARCLAYS (GB) (#)	18,597	586,102	78,700
11	HBOS (GB) (2) (#)	10,896	513,180	65,848
12	SOCIÉTÉ GÉNÉRALE (FR) (#)	13,856	512,499	86,574
13	DRESDNER BANK (DE) (3)	9,456	506,683	48,455
14	COMMERZBANK (DE) (#)	7,021	501,312	38,355
15	CREDIT AGRICOLE (FR) (#)	7,018	494,345	28,753
16	FORTIS (BE / NL) (#)	10,042	475,514	66,210
17	WESTDEUTSCHE LANDESBANK (DE) (*)	4,535	431,910	14,674
18	LLOYDS TSB GROUP (GB) (#)	14,202	388,687	88,402
19	DZ BANK (DE)	3,762	364,582	26,651
20	RABOBANK NEDERLAND (NL) (#)	7,825	363,619	50,942
21	BANCO SANTANDER CENTRAL HISPANO (ES) (#)	15,854	355,903	115,957
22	ABBEY NATIONAL (GB) (#)	6,943	353,108	30,570
23	DEXIA (BE) (#)	5,723	351,250	22,106
24	BAYERISCHE LANDESBANK (DE) (*)	2,789	325,826	8,521
25	CREDIT MUTUEL (FR) (4)	7,609	320,684	53,108
26	INTESABCI (IT) (#)	11,185	314,891	71,017
27	BANCO BILBAO VIZCAYA ARGENTARIA (ES) (#)	13,458	305,471	102,721
28	LANDESBANK BADEN-WUERTTEMBERG (DE) (*)	2,347	300,019	10,687
29	KREDITANSTALT FUER WIEDERAUFBAU (DE) (*)	1,410	245,744	2,541
30	NORDEA (SE) (#) (5)	5,761	241,549	37,555
31	KBC (BE) (#)	5,354	227,902	47,078
32	UNICREDITO ITALIANO (IT) (#)	9,973	208,388	64,350
33	DANSKE BANK (DK) (#)	3,940	206,787	18,000
34	CREDIT LYONNAIS (FR) (#)	6,729	202,365	41,349
35	NORDDEUTSCHE LANDESBANK (DE) (*)	1,619	199,855	8,137
36	BANKGESELLSCHAFT BERLIN (DE) (*) (#)	1,921	189,091	16,776
37	SANPAOLOIMI (IT) (#)	5,990	170,181	35,483
38	ARGENTARIA (ES) (6)	-	-	-
39	BANCA COMMERCIALE ITALIANA (IT) (7)	-	-	-
40	BANCO CENTRAL HISPANOAMERICANO (ES) (8)	-	-	-
41	BANK AUSTRIA (AT) (9)	-	-	-
42	BANK OF SCOTLAND (GB) (10)	-	-	-
43	BANQUE BRUXELLES LAMBERT (BE) (11)	-	-	-
44	BANQUE INDOSUEZ (FR) (12)	-	-	-
45	BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK (DE) (13)	-	-	-
46	CREDIT COMMERCIAL DE FRANCE (FR) (14)	-	-	-
47	CREDITANSTALT (AT) (15)	-	-	-
48	GENERALE DE BANQUE (BE) (16)	-	-	-
49	HALIFAX GROUP (GB) (10)	-	-	-

	BANKS	2001 TOTAL INCOME	2001 TOTAL ASSETS	2001 EMPLOYEES
		EUR m	EUR m	No.
50	LANDESKREDITBANK BADEN-WUERTTEMBERG (DE) (17) (*)	-	-	-
51	MERITA (FI) (18)	-	-	-
52	NATIONAL WESTMINSTER BANK(GB) (19)	-	-	-
53	NORDBANKEN (SE) (18)	-	-	-
54	PARIBAS (FR) (20)	-	-	-
55	REALDANMARK (DK) (21)	-	-	-
56	SOCIETÀ DI BANCA SVIZZERA (CH) (22)	-	-	-
57	UNIDANMARK (DK) (23)	-	-	-
	TOTAL	**404,617**	**16,357,944**	**2,186,251**

(#) Listed company.
(*) State-controlled company.
(1) Münchener Ruck. is the largest shareholder, with 25.6% as at 31/12/2001.
(2) Company set up in 2001 after the merger between the Bank of Scotland and the Halifax Group.
(3) Allianz Group held 95.6% of the share capital as at 15/3/2002.
(4) Aggregate figures including Crédit Mutuel and Crédit Industriel et Commercial-CIC; CIC is not consolidated in Crédit Mutuel's official accounts.
(5) The Swedish state is the largest shareholder, with 18.3% as at 31/12/2001.
(6) Argentaria merged into Banco Bilbao Vizcaya in 2000, with the combined company taking the name of Banco Bilbao Vizcaya Argentaria.
(7) Banca Commerciale Italiana was acquired by Banca Intesa in 1999. Banca Commerciale Italiana was merged into Banca Intesa in 2001, with the combined company taking the name of IntesaBci.
(8) Banco Central Hispanoamericano was merged into Banco Santander in 1999, with the combined company taking the name of Banco Santander Central Hispano.
(9) Acquired by Bayerische Hypo- und Vereinsbank in 2000.
(10) Bank of Scotland and Halifax Group merged to form HBOS in 2001.
(11) Acquired by ING Groep in 1998.
(12) Acquired by Crédit Agricole in 1996.
(13) The company was merged into Bayerische Vereinsbank in 1998, with the combined company taking the name Bayerische Hypo- und Vereinsbank.
(14) Acquired by HSBC Holdings in 2000.
(15) Acquired by Bank Austria in 1997.
(16) Acquired by Fortis in 1998.
(17) Merged into Landesbank Baden-Wuerttemberg in 1999.
(18) Merita and Nordbanken merged in 1998 to form Nordic Baltic Holding Group (now Nordea).
(19) Acquired by The Royal Bank of Scotland Group in 2000.
(20) Acquired by BNP in 1999. Paribas was merged into BNP in 2000, with the combined company taking the name of BNP Paribas.
(21) Acquired by Danske Bank in 2000.
(22) Merged into UBS in 1998.
(23) Acquired by Nordea in 2000.

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Ricerche e Studi S.p.A. (R&S)
Via del Lauro 7, 20121 Milan, Italy
Tel +39 02 8646.2348 - 8646.2394 - Fax +39 02 86.22.67 - E-mail res@mbres.it
Internet: http://www.mbres.it