Table 1
Comparative Population, Gross Domestic Product and Selected Financial Asset Information for the EU and G-10 Countries: 1993
(Percentages)

Country	Share of World Population[1]	Share of World GDP[2]	Share of World Banking Assets[3]	Share of World Open-End Investment Company Assets[4]	Share of World Equity Market Capitalization[5]	Share of World International Debt Securities[6]	Share of OECD Domestic Debt Securities[7]
Austria	0.15	0.79	1.23	0.44	0.20	2.22	0.52
Belgium	0.18	0.91	2.17	0.37	0.56	1.38	1.53
Canada	0.53	2.07	1.71	2.10	2.34	7.11	2.38
Denmark	0.09	0..51	0.59	0.11	0.30	1.67	1.18
Finland	0.09	0.32	0.39	N A	0.17	2.34	0.30
France	1.05	5.42	7.56	11.70	3.27	7.51	4.81
Germany	1.48	8.27	11.59	5.14	3.32	5.89	6.99
Greece	0.19	0.27	0.23	0.08	0.09	0.67	0.31
Ireland	0.06	0.19	0.13	0.13	NA	0.69	0.12
Italy	1.04	4.29	3.34	1.56	0.98	3.44	6.02
Japan	2.27	18.23	25.31	11.01	21.48	16.68	20.17
Luxembourg	0.01	0.05	1.51	6.00	0.14	0.10	0.02
Netherlands	0.28	1.34	2.19	1.17	1.30	2.59	1.01
Portugal	0.18	0.37	0.46	0.23	0.09	0.24	0.21
Spain	0.71	2.07	2.58	1.74	0.85	1.11	1.19
Sweden	0.16	0.72	0.67	0.59	0.77	3.72	1.12
Switzerland	0.13	1.00	2.31	0.83	1.95	0.81	0.95
United Kingdom	1.06	3.54	8.46	3.18	8.25	8.67	2.23
United States	4.69	27.08	13.18	50.24	36.78	8.68	47.38
Total	14.35	77.44	85.59	96.62	82.84	75.52	98.44
G-7[8]	12.12	68.90	71.04	84.93	76.42	57.98	89.98
G-10[9]	12.87	72.87	78.38	87.89	81.00	66.48	94.59
EU[10]	6.73	29.06	42.99	32.44	20.29[11]	42.24	27.56

SOURCE: Bank for International Settlements (1996); Euromonitor PLC (1996); International Finance Corporation (1996); International Monetary Fund (1996b); Investment Company Institute (1995); United States Department of Commerce (1995); and World Bank (1995).

NOTES:
1. World Population: 5.5 billion.
2. World GDP: 23,269 billion USD.
3. World Banking Assets: 25,185 billion USD.
4. World Open-End Investment Company Assets: 4,131 billion USD.
5. World Equity Market Capitalization: 13,964 billion USD.
6. World International Debt Securities: 2,038 billion USD.
7. OECD Domestic Debt Securities: 19,715 billion USD.
8. Group of Seven (G-7) countries include Canada, France, Germany, Italy, Japan, the U.K., and the U.S.
9. Group of Ten (G-10) countries include Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the U.K., and the U.S. Switzerland became a full member in 1984, bringing the group to eleven members.
10. European Union countries include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the U.K. Though Austria, Finland, and Sweden did not become EU members until January 1, 1995, they are included in the aggregate EU figures in the above table.
11. Excluding Ireland.

Table 2
Number of Domestic Companies, Market Capitalization and Gross National Product
EU and G-10 Countries: 1993

Country	Number of Domestic Companies	Market Capitalization (Millions of USD)	GNP (Millions of USD)	Market Cap./GNP (percent)
Austria	111	28,437	183,530	15.5
Belgium	165	78,067	213,435	36.6
Denmark	257	41,785	137,610	30.4
Finland	57	23,562	96,220	24.5
France	472	456,111	1,289,235	35.4
Germany	426	463,476	1,902,995	24.4
Greece	143	12,319	76,698	16.1
Italy	210	136,153	1,134,980	12.0
Luxembourg	62	19,337	14,233	136.0
Netherlands	245	181,876	316,404	57.5
Portugal	183	12,417	77,749	16.0
Spain	376	119,264	533,986	22.3
Sweden	105	107,376	216,294	49.6
United Kingdom	1,646	1,151,646	1,042,700	110.4
Canada	1,124	326,524	574,884	56.8
Japan	2,155	2,999,756	3,926,668	76.4
Switzerland	215	271,713	254,066	107.0
United States	7,246	5,136,199	6,387,686	80.4
Other Countries (42)	13,570	2,397,813	4,671,032	51.3
Total (60 countries)	28,768	13,963,831	23,050,405	60.6

SOURCE: International Finance Corporation (1996).

Table 3
Banking Structure in the EU and G-10 Countries: 1993

	Austria [5]	Belgium	Denmark [3]	Finland	France	Germany	Greece	Ireland	Italy [4]	Luxembourg	Netherlands	Portugal	Spain	Sweden	United Kingdom
OFFICES AND STAFF															
Commercial Banks	57	151	112	14	425	330	41	43	315	218	176	42	168	15	491
Branch Offices [1]	733	7,925	2,340	1,213	10,442	7,604	1,554	919	19,722	315	7,191	3,144	17,580	2,478	12,800
Banking Offices (Banks + Branches)	790	8,076	2,452	1,227	10,867	7,934	1,595	962	20,037	533	7,367	3,186	17,748	2,493	13,291
Population ('000s)	7,962	10,068	5,181	5,055	57,530	80,975	10,346	3,560	56,960	395	15,239	9,865	39,048	8,692	58,099
Population per Bank	139,684	66,675	46,259	361,071	135,365	245,379	252,341	82,791	180,825	1,812	86,585	234,881	232,429	579,467	118,328
Population per Banking Office	10,078	1,247	2,113	4,120	5,294	10,206	6,487	3,701	2,843	741	2,069	3,096	2,200	3,487	4,371
Staff	18,192	77,088	45,465	25,099	226,847	221,000	40,867	21,500	315,120	16,143	109,200	59,748	153,638	37,472	378,710
Staff per Bank	319	511	406	1,793	534	670	997	500	1,000	74	620	1,423	915	2,498	771
Staff per Banking Office	23	10	19	20	21	28	26	22	16	30	15	19	9	15	28
BALANCE SHEET COMPOSITION															
Total Assets (bil. USD)	126.8	657.8	160.5	95.0	1,379.4	963.2	63.7	71.2	964.1	464.0	733.7	142.8	583.4	177.1	2,189.4
Banking Assets per USD of GDP	0.70	3.12	1.19	1.13	0.91	0.50	0.87	1.49	0.97	37.12	2.37	1.69	1.22	0.96	2.33
Deposits (bil. USD) [2]	73.2	332.5	86.1	24.5	279.7	411.9	54.4	26.9	526.5	204.9	382.4	86.0	261.6	91.2	1,558.6
Deposit-to-Asset Ratio (in percent)	57.8	50.5	53.6	25.8	20.3	42.8	85.4	37.8	54.6	44.2	52.1	60.2	44.8	51.5	71.2
Loans (bil. USD) [2]	57.8	352.0	73.7	32.3	477.4	631.9	16.7	34.5	402.3	103.4	456.4	54.7	226.3	90.2	1,502.8
Loan-to-Asset Ratio (in percent)	44.5	53.5	45.9	34.0	34.6	65.6	26.2	48.5	41.7	22.3	62.2	38.3	38.8	50.9	68.6
CONCENTRATION OF BANKING ASSETS															
3-Firm Concentration Ratio [11] (in percent)	61.4	44.4	63.7	93.8	63.6	89.5	98.3	93.6	35.9	17.2	59.0	38.1	50.1	86.6	29.1
Commercial Bank Share of Total Assets of All Credit Institutions (in percent)	28.5 [12]	100.0 [13]	NA	73.0	51.4	27.0	73.9	81.4	77.4	98.8	100.0	NA	67.3	48.6	NA

Table 3 (continued)

	Canada	Japan [10]	Switzerland	United States [6]	G-7 [7]	G-10 [8]	EU [9]
OFFICES AND STAFF							
Commercial Banks	60	150	293	10,971	12,742	13,377	2,598
Branch Offices [1]	7,744	14,997	2,227	54,129	126,453	146,274	95,960
Banking Offices (Banks + Branches)	7,804	15,147	2,520	65,100	139,195	159,651	98,558
Population ('000s)	28,798	124,764	6,908	257,908	665,034	705,941	368,975
Population per Bank	479,967	831,760	23,577	23,508	52,192	52,773	142,023
Population per Banking Office	3,690	8,237	2,741	3,962	4,778	4,422	3,744
Staff	170,808	417,000	111,791	1,494,564	3,224,049	3,559,600	1,746,089
Staff per Bank	2,847	2,780	382	136	253	266	672
Staff per Banking Office	22	28	44	23	23	22	18
BALANCE-SHEET COMPOSITION							
Total Assets (bil. USD)	567.6	6,130.2	731.6	3,707.2	15,901.0	18,201.2	8,772.0
Banking Assets per USD of GDP	1.04	1.46	3.15	0.59	0.99	1.07	1.27
Deposits (bil. USD) [2]	443.1	3,914.8	411.6	2,754.1	9,888.8	11,106.5	4,400.5
Deposit-to-Asset Ratio (in percent)	78.1	63.9	56.3	74.3	62.2	61.0	50.2
Loans (bil. USD) [2]	382.8	4,275.3	512.6	2,151.0	9,823.5	11,234.7	4,512.4
Loan-to-Asset Ratio	67.4	69.7	70.1	58.0	61.8	61.7	51.4
CONCENTRATION OF BANKING ASSETS							
3-Firm Concentration Ratio [11] (in percent)	65.2	28.3	79.8	13.3	NA	NA	NA
Commercial Bank Share of Total Assets of All Credit Institutions (in percent)	80.3	NA	98.1	77.1 [14]	NA	NA	NA

SOURCE: Banking Federation of the European Union (1994); Bank of Japan; Canadian Bankers Association; Office of the Comptroller of the Currency using Federal Financial Institutions Examination Council and FDIC data; Office for Official Publications of the European Communities (1995); Organization for Economic Co-operation and Development (1995a) and (1995c); Statistical Office of the European Communities; Eurostat (1995); BankScope, Bureau van Dijk, IBCA; and supervisory authorities in the individual countries listed.

NOTES:
(1) Figures exclude foreign bank branches.
(2) Non-bank customers only.
(3) Data for commercial banks, savings banks and cooperative banks whose capital exceeds DKR 100 million (ECU 13.2 million).
(4) Figures include commercial banks and former savings banks, but exclude rural and artisanal banks and central institutions.
(5) Figures for all commercial banks, domestic and foreign, but excluding savings banks, Raiffeisen banks (credit cooperatives) and financial holding companies.
(6) FDIC-insured commercial banks.
(7) Group of Seven (G-7) countries include Canada, France, Germany, Italy, Japan, the U.K., and the U.S.
(8) Group of Ten (G-10) countries include Belgium, Canada, France, Germany, Italy, the Netherlands, Japan, Sweden, Switzerland, the U.K., and the U.S. Switzerland became a full member in 1984, bringing the group to eleven members.
(9) European Union countries include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the U.K. Though Austria, Finland, and Sweden did not become EU members until January 1, 1995, they are included in the aggregate EU figures in the above table.
(10) City banks, regional banks, trust banks, and long-term credit banks.
(11) Percent of total banking system assets accounted for by the largest three banks.
(12) For 1994.
(13) No distinctions from 1992 onwards.
(14) The figure is only 25.1 percent for the total assets of all financial service firms, not just depository institutions.

Table 4
Permissible Banking Activities and Bank Ownership in the EU and G-10 Countries: 1995

Country and Bank Supervisor(s)	Securities[1]	Insurance[2]	Real Estate[3]
AUSTRIA Federal Ministry of Finance	Unrestricted; conducted either directly in bank or through subsidiaries. No firewalls mandated.	Permitted; conducted only through subsidiaries. However, a bank may broker insurance policies.	Unrestricted; conducted either directly in bank or through subsidiaries. The total book value of a bank's investment in real estate, plant and equipment, furniture and fixtures must not exceed liable capital.
BELGIUM Banking and Finance Commission	Permitted; conducted either directly in bank or through subsidiaries. No restrictions on bonds. However, a bank may not underwrite stock issues. No firewalls mandated.	Permitted; conducted directly in the bank for those activities licensed by the Insurance Supervisory Authority, and through insurance companies (subsidiaries), in which banks can own either controlling or minority participating interests, if certain framework conditions are fulfilled.	Restricted; investments limited to real estate used in the exercise of the bank's activities. May serve as an agent and manager of real estate for clients as well as engage in real estate leasing through subsidiaries.
CANADA Office of the Superintendent of Financial Institutions	Permitted; conducted only through subsidiaries. No firewalls mandated.	Permitted; conducted only through subsidiaries.	Permitted; conducted only through subsidiaries.
DENMARK Danish Financial Supervisory Authority	Unrestricted; conducted either directly in bank or through subsidiaries. Firewalls are mandated.	Permitted; conducted only through subsidiaries.	Permitted; banks are permitted to hold real estate to a book value not exceeding 20% of the bank's own funds. Real estate in which the bank performs banking activities are not included in this 20% limitation. Mortgage-credit activity is only permitted through subsidiaries.
FINLAND Financial Supervision	Unrestricted; conducted either directly in bank or through subsidiaries. No firewalls mandated.	Restricted; only selling of insurance policies as an agent is permitted.	Permitted; may hold real estate and shares in real estate firms up to 13% of the bank's total assets, either directly in bank or through subsidiaries.
FRANCE Credit Institutions Committee, Bank Regulatory Commission, and Banking Commission	Unrestricted; conducted either directly in bank or through subsidiaries. No firewalls mandated.	Permitted; sale of insurance products/services may be conducted directly in bank, but underwriting must be done through subsidiaries.	Permitted; either conducted directly in bank or through subsidiaries, but limited to 10% of the bank's net income.
GERMANY Federal Banking Supervisory Office and Deutsche Bundesbank	Unrestricted; conducted directly in bank. No firewalls mandated.	Restricted; conducted as principal only through insurance subsidiaries, which are supervised by the Insurance Supervisory Office. Insurance regulation does not allow any business other than insurance business being carried out by an insurance firm. However, a bank may conduct insurance activities as agent without restrictions.	Permitted; investment in equity and real estate, calculated at book value, may not exceed a bank's liable capital, but unlimited through subsidiaries.
GREECE Bank of Greece	Permitted; underwriting may be conducted directly in bank, whereas dealing and brokerage must be conducted through subsidiaries. However, the selling of mutual funds products directly by banks is permitted. Some firewalls are mandated. For example, persons responsible for the management of a bank cannot hold similar positions in a securities firm.	Restricted; selling of limited combined bank/insurance products by banks is permitted, but selling of separate insurance products by banks is not. The latter is allowed through bank subsidiaries.	Restricted; direct investment in real estate is limited to 50% of own funds for purposes of conducting banking activities. Real estate investment for commercial purposes is not permitted. The setting up of a subsidiary engaging in real estate management requires Bank of Greece permission. Subsidiaries engaging in real estate development are considered nonfinancial firms and are regulated according to the EC Second Banking Directive.
IRELAND Central Bank of Ireland	Unrestricted; conducted directly in bank or through subsidiaries. No firewalls are mandated.	Prohibited. (6)	Unrestricted.
ITALY Bank of Italy	Unrestricted; conducted either directly in bank or through subsidiaries. However, for brokering and dealing in securities listed on an Italian exchange other than Italian government and government-guaranteed securities, only through a special subsidiary. Firewalls are mandated.	Permitted; sale of insurance products/services may be conducted directly in bank, but underwriting must be done through subsidiaries.	Restricted; generally limited to bank premises.
JAPAN Ministry of Finance (primary responsibility) and Bank of Japan	Restricted; only bonds (not equities) and only through securities subsidiaries. A bank can only own more than 50% of a securities firm with permission from the Ministry of Finance and Fair Trade Commission. Firewalls are mandated. [4]	Prohibited.	Restricted; generally limited to bank premises.
LUXEMBOURG Luxembourg Monetary Institute	Unrestricted; conducted either directly in bank or through subsidiaries. No firewalls mandated.	Permitted; bank employees may obtain an insurance license and thereby sell insurance products/services as an agent of insurance firms within the bank. However, a bank is allowed to carry out insurance activities through a subsidiary or by taking an equity stake in an insurance firm, with prior approval.	Unrestricted; conducted either directly in bank or through subsidiaries.
NETHERLANDS Bank of Netherlands	Unrestricted; conducted directly in bank or through subsidiaries. No firewalls mandated.	Permitted; sale of insurance products/services may be conducted directly in bank, but underwriting must be done through subsidiaries. More generally, an insurance company is not allowed to pursue the business of a bank within one corporation (Insurance Companies Supervision Act).	Permitted; but real estate other than bank premises may not exceed 25% of the actual own funds of the bank.
PORTUGAL Bank of Portugal	Unrestricted; conducted either directly in bank or through subsidiaries. However, for the organized stock exchanges, brokerage and dealer activities must be conducted through subsidiaries. No firewalls mandated.	Permitted; conducted only through subsidiaries for underwriting and selling as principal. May sell as agent directly in bank.	Restricted; generally limited to holding bank premises. Moreover, the net value of fixed assets shall not exceed own funds.
SPAIN Bank of Spain	Unrestricted; conducted directly in bank or through subsidiaries, but banks do not have direct access to official stock exchanges. No firewalls mandated.	Permitted; sale of insurance products/services may be conducted directly in bank, but underwriting must be done through subsidiaries.	Restricted; generally limited to bank premises. Real estate and other immobilized tangible assets are limited to 70% of own funds. Banks may also hold such assets in payment of debts for up to 3 years.
SWEDEN Financial Supervisory Authority	Unrestricted; conducted directly in bank or through subsidiaries. No firewalls mandated.	Permitted; bank may only directly sell insurance products/services. However, both banks and insurance firms are allowed to form "concern constellation" (financial groups) as long as the two activities are conducted in different firms.	Restricted; generally limited to bank premises.

SWITZERLAND Swiss Federal Banking Commission	Unrestricted; conducted either directly in bank or through subsidiaries. No firewalls mandated.	Permitted; conducted only through subsidiaries.	Unrestricted; investments in a single real estate project are limited to the equivalent of 20% of the bank's capital. However, the Swiss Federal Banking Commission can allow this limit to be exceeded.

Table 4 (continued)

Country and Bank Supervisor(s)	Securities [1]	Insurance[2]	Real Estate[3]
UNITED KINGDOM Bank of England	Unrestricted; conducted either directly in bank or through subsidiaries. However, gilt-edged market making must be conducted through a subsidiary. No firewalls mandated.	Permitted; sales of insurance products/services may be conducted directly in bank, but underwriting only through subsidiaries. However, the bank's investment in the subsidiary must be deducted from the bank's capital when calculating its capital adequacy if the bank ownership share in the subsidiary exceeds 20%.	Unrestricted; conducted either directly in bank or through subsidiaries.
UNITED STATES Federal Reserve System, Comptroller of the Currency, Federal Deposit Insurance Corporation, and State Authorities.	Restricted; national and state member banks generally are prohibited from underwriting or dealing in corporate debt and equity instruments or securities. They may, however, engage in discount and full service brokerage as well as serve as agent for issues in privately placing securities. State non-member banks are subject to the same restriction as national banks, unless the FDIC determines the activity would not pose a significant risk to the deposit insurance fund. Bank holding companies may, on a case by case basis, be permitted to underwrite and deal in corporate debt and equity securities through a Section 20 subsidiary so long as the subsidiary's revenues for these activities do not exceed 10 percent of total gross revenues. Firewalls are mandated.	Restricted; banks generally may engage in credit life and disability insurance underwriting and agency activities. National banks, in addition, may engage in general insurance agency activities in towns with less than 5,000 in population.	Restricted; banks generally are restricted to investment in premises or that which is necessary for the transaction of their business.
EUROPEAN UNION (7)	Not applicable; permissibility is subject to home country authorization and limited host country regulation, primarily notification requirements. (A single EU "passport" exists.)	Not applicable; permissibility is subject to home country regulation.	Not applicable; permissibility is subject to home country and host country regulation.

Table 4 (continued)

Country and Bank Supervisor(s)	Commercial Bank Investment in Nonfinancial Firms	Nonfinancial Firm Investment in Commercial Banks	Geographical Branching Restrictions on Commercial Banks within Country		
			Domestic Banks	Non-Domestic Banks	Prior Regulatory Approval Required
AUSTRIA Federal Ministry of Finance	Unrestricted; complies with the EC Second Banking Directive. Subject to this limitation, a bank may own 100% of the equity in a nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5]	None.	None.	No.
BELGIUM Banking and Finance Commission	Restricted; single share holding may not exceed 10% of bank's own funds and such share holding on an aggregate basis may not exceed 35% of own funds. More restrictive than the EC Second Banking Directive during a transition period [4]	Unrestricted; complies with the EC Second Banking Directive. However, the Banking and Finance Commission examines the "fit and proper" character of those shareholders holding at least 5% of the bank's capital.	None.	None.	Yes.
CANADA Office of the Superintendent of Financial Institutions	Restricted; limited to 10% of the outstanding shares of a nonfinancial firm, with aggregate holdings not to exceed 70% of bank capital.	Restricted; limited to 10% of the outstanding shares. Since no shareholders may exceed this 10% limit, Canada is attempting to assure that banks are widely held.	None.	Limited Restrictions.	Yes.
DENMARK Danish Financial Supervisory Authority	Permitted; complies with the EC Second Banking Directive. However, a bank may not hold a permanent decisive participation in nonfinancial firms. [4]	Unrestricted; complies with the EC Second Banking Directive. [5] However, a bank may not without supervisory authority have engagement with a firm that through its ownership of shares or otherwise directly or indirectly has a decisive influence on the bank.	None.	None.	No.
FINLAND Financial Supervision	Unrestricted; complies with EC Second Banking Directive. Subject to this limitation, a bank may own 100% of the equity in any nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5] In the case of commercial banks, a firm is not allowed to vote at the annual meeting with more than 5% of the total voting rights presented at the meeting.	None.	None.	No.
FRANCE Credit Institutions Committee, Bank Regulatory Commission, and Banking Commission	Unrestricted; complies with EC Second Banking Directive. Subject to this limitation a bank may own 100% of the equity in any nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5]	None.	None.	No.
GERMANY Federal Banking Supervisory Office and Deutsche Bundesbank	Unrestricted; complies with EC Second Banking Directive. Subject to this limitation a bank may own 100% of the equity in any nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5]	None.	None.	No.
GREECE Bank of Greece	Unrestricted; complies with EC Second Banking Directive. Subject to this limitation, a bank may own 100% of the equity in any nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5]	None.	None.	Yes.
IRELAND Central Bank of Ireland	Unrestricted; complies with the EC Second Banking Directive. Subject to these limitation, a bank may own 100% of the equity in a nonfinancial firm. [4]	Unrestricted. However, advance notification is required for any application of more than 5% of the voting rights in a bank, and prior approval is required for any acquisition of 10% or more of the total shares or voting rights or any holding or interest that confers a right to appoint or remove directors. [5]	None.	None.	No.
ITALY Bank of Italy	Restricted; more restrictive than the EC Second Banking Directive. Most banks are subject to an overall investment limit of 15% of own funds (7.5% in the case of unlisted firms) and to a concentration limit of 3% of own funds in each holding in nonfinancial firms or groups. Some banks, due to their size and proven stability, are subject to less stringent limits (overall and concentration limits of respectively 50% and 6% for leading banks, and 60% and 15% for specialized banks). Consistency with the principle of separation between banking and commerce is ensured by a further investment limit of 15% of invested firms' capital for all banks. [4]	Restricted; more restrictive than the EC Second Banking Directive. Persons who engage in significant business activity in sectors other than banking and finance are forbidden from acquiring an equity stake which, when added to those already held, would result in a holding exceeding 15% of the voting capital of a bank or in control of the bank. [5]	None.	None.	No.
JAPAN Ministry of Finance (primary responsibility) and Bank of Japan	Restricted; a single bank's ownership is limited to 5% of a single firm's shares, including other banks (Article 9, Anti-Monopoly Law).	Restricted; total investment is limited to firms capital or net assets. The Anti-Monopoly Law prohibits establishment of a holding company whose main business is to control the business activities of other domestic companies through the holding of ownership.	None.	None	Yes.
LUXEMBOURG Luxembourg Monetary Institute	Unrestricted; complies with EC Second Banking Directive. Subject to this limitation a bank may own 100% of the equity in any nonfinancial firm. [4]	Restricted; nonfinancial firms may legally be the majority shareholders in banks. However, general policy is to discourage nonfinancial groups or private persons from being major shareholders in banks.	None.	None.	Yes.
NETHERLANDS Bank of Netherlands	Unrestricted; complies with the EC Second Banking Directive. Subject to this limitation a bank may own 100% of the equity in any nonfinancial firm. [4] However, a declaration of non-objection from the Minister of Finance (or the Nederlandsche Bank on behalf of the Minister) is required for any bank investment exceeding 10% of the capital of a nonfinancial firm.	Unrestricted; complies with the EC Second Banking Directive. [5] However, a declaration of non-objection from the Minister of Finance (or the Nederlandsche Bank on behalf of the Minister) is required for an investment exceeding 5% of a bank's capital.	None.	None.	No.
PORTUGAL Bank of Portugal	Permitted; complies with the EC Second Banking Directive. However, a bank may not control more than 25% of the voting rights of a nonfinancial firm. [4]	Unrestricted; complies with the EC Second Banking Directive. [5]	None.	None.	No.
SPAIN Bank of Spain	Unrestricted; complies with the EC Second Banking Directive. Subject to this limitation, a bank may own 100% of the equity in any nonfinancial firm. [4]	Permitted; complies with the EC Second Banking Directive. However, a nonfinancial firm cannot hold more that 20% of the shares of a new bank during the first five years of its existence. [5] Specified shareholder thresholds require authorization by the Bank of Spain before additional investment.	None.	None.	No, for EU banks. Non-EU banks require authorization by the Ministry of Economy.
SWEDEN Financial Supervisory Authority	Restricted; investments on an aggregated basis are limited to 40% of a bank's own funds. Ownership in a firm is limited to 5% of this base (i.e. 1.5% in a firm or group of firms related to each other). Furthermore, ownership in a firm must not exceed 5% of the total voting power in the firm concerned. These limits do not apply when a bank has to protect itself against credit losses. In this case the bank must sell when market conditions are appropriate. [4]	Restricted; ownership is limited to 50% except under certain circumstances when a bank is near insolvency and there is a need for external capital injection. In the latter case, greater ownership may be permitted, based upon suitability of new owners. [5]	None.	None.	Yes.

SWITZERLAND Swiss Federal Banking Commission	Unrestricted; a single participation is limited to the equivalent of 20% of the bank's capital. However, the Swiss Federal Banking Commission can allow this limit to be exceeded.	Unrestricted; a nonfinancial firm may own 100% of the equity in a bank.	None.	None.	Yes, but only for non-domestic banks.

Table 4 (continued)

Country and Bank Supervisor(s)	Commercial Bank Investment in Nonfinancial Firms	Nonfinancial Firm Investment in Commercial Banks	Geographical Branching Restrictions on Commercial Banks within Country: Domestic Banks	Non-Domestic Banks	Prior Regulatory Approval Required
UNITED KINGDOM Bank of England	Unrestricted; complies with the EC Second Banking Directive. Subject to this limitation, a bank may own 100% of the equity in any nonfinancial firm. However, an ownership share of more than 20% requires that the investment be deducted from the bank's capital when calculating its capital adequacy on a risk basis. Otherwise, the investment is treated as a commercial loan for the risk-based calculation.	Unrestricted; complies with the EC Second Banking Directive. However, a firm would have to make application to the Bank of England to become a shareholder controller and receive the Bank's non-objection.	None. But need to comply with the local requirements and have adequate systems and controls for the function.	None. However, a bank must make an application to open a branch unless passporting into the UK under the EC Second Banking Directive.	Yes (see adjacent column).
UNITED STATES Federal Reserve System, Comptroller of the Currency, Federal Deposit Insurance Corporation, and State Authorities.	Restricted; national and state member banks generally are prohibited from making direct equity investment in voting or nonvoting stock. State nonmember banks generally are limited to investments that are permissible for national banks. Bank holding companies are limited to an investment not to exceed 25 percent of a nonfinancial firm's capital.	Restricted; a nonfinancial firm may make equity investments in banks and bank holding companies. However, the investment must not exceed 25 percent of the bank's capital to avoid becoming a bank holding company. In other words, banks may only be acquired by companies that limit their activities to those deemed to be closely related to banking by the Federal Reserve Board.	Yes.	Yes; same restrictions that apply to domestic banks.	Yes.
	EU Banks	Non-EU Banks			
EUROPEAN UNION (7)	Unrestricted; the EC Second Banking Directive (Article 12) limits "qualifying investments" to no more than 15% of a bank's own funds for investment in a single firm, and to no more than 60% for all investment in nonfinancial firms. In exceptional circumstances, these limits may be exceeded, but the amount by which the limits are exceeded must be covered by a bank's own funds and these own funds may not be included in the solvency ratio calculation. A qualifying investment is defined as a direct or indirect holding in an undertaking equal to at least 10% if its capital or voting rights or permitting the exercise of significant influence over its management.	Unrestricted; subjects qualifying investments to regulatory consent based only on the suitability of shareholders.	None. (A Single EU "passport" exists.)	Restricted; branches are fully regulated by the authorities of the EU member state in which they are situated and do not have access to the single EU "passport" to provide services or establish subsidiary branches throughout the EU.	

SOURCE: Supervisory authorities in the listed countries provided information used to prepare this table. However, they are not responsible for any errors or misinterpretations. For exact information one must consult the pertinent laws and regulations in the individual countries. For France and Japan, a source was Institute of International Bankers (1995).

NOTES:
(1) Securities activities include underwriting, dealing and brokering all kinds of securities and all aspects of the mutual fund business.
(2) Insurance activities include underwriting and selling insurance products/services as principal and as agent.
(3) Real estate activities include investment, development and management.
(4) The EC Second Banking Directive (Article 12) limits "qualifying investments" to no more than 15% of a bank's own funds for investments in a single nonfinancial firm and to no more than 60% for aggregate investments in nonfinancial firms. In exceptional circumstances these limits may be exceeded, but the amount by which the limits are exceeded must be covered by a bank's own funds and these own funds may not be included in the solvency ratio calculation. A qualifying investment is defined as a direct or indirect holding in an undertaking equal to at least 10% of its capital or voting rights or permitting the exercise of significant influence over its management.
(5) The EC Second Banking Directive (Article 11) subjects qualifying investments to regulatory consent based only on the suitability of shareholders.
(6) However, 3 commercial banks are authorized to engage in assurance activities.
(7) The EU members are Austria (January 1, 1995), Belgium (original member), Denmark (January 1, 1973), Finland (January 1, 1995), France (original member), Germany (original member), Greece (January 1, 1981), Ireland (January 1, 1973), Italy (original member), Luxembourg (original member), the Netherlands (original member), Portugal (January 1, 1986), Spain (January 1, 1986), Sweden (January 1, 1995), and the United Kingdom (January 1, 1973).

DEFINITIONS: Unrestricted- A full range of activities in the given category can be conducted directly in the bank.
Permitted- A full range of activities can be conducted, but all or some must be conducted in subsidiaries.
Restricted- Less than a full range of activities can be conducted in the bank or subsidiaries.
Prohibited- The activity cannot be conducted in either the bank or subsidiaries.

Table 5
Permissible Banking Activities and Bank Ownership in the EU and G-10 Countries: 1995

	Securities	Insurance	Real Estate	Commercial Bank Investment in Nonfinancial Firms	Nonfinancial Firm Investment in Commercial Banks
Very Wide Powers:					
Austria	Unrestricted	Permitted	Unrestricted	Unrestricted	Unrestricted
Switzerland	Unrestricted	Permitted	Unrestricted	Unrestricted	Unrestricted
United Kingdom	Unrestricted	Permitted	Unrestricted	Unrestricted	Unrestricted
France	Unrestricted	Permitted	Permitted	Unrestricted	Unrestricted
Netherlands	Unrestricted	Permitted	Permitted	Unrestricted	Unrestricted
Wide Powers:					
Denmark	Unrestricted	Permitted	Permitted	Permitted	Unrestricted
Finland	Unrestricted	Restricted	Permitted	Unrestricted	Unrestricted
Germany	Unrestricted	Restricted	Permitted	Unrestricted	Unrestricted
Ireland	Unrestricted	Prohibited	Unrestricted	Unrestricted	Unrestricted
Luxembourg	Unrestricted	Permitted	Unrestricted	Unrestricted	Restricted
Portugal	Unrestricted	Permitted	Restricted	Permitted	Unrestricted
Spain	Unrestricted	Permitted	Restricted	Unrestricted	Permitted
Somewhat Restricted Powers:					
Italy	Unrestricted	Permitted	Restricted	Restricted	Restricted
Sweden	Unrestricted	Permitted	Restricted	Restricted	Restricted
Belgium	Permitted	Permitted	Restricted	Restricted	Unrestricted
Canada	Permitted	Permitted	Permitted	Restricted	Restricted
Greece	Permitted	Restricted	Restricted	Unrestricted	Unrestricted
Restricted Powers:					
Japan	Restricted	Prohibited	Restricted	Restricted	Restricted
United States	Restricted	Restricted	Restricted	Restricted	Restricted

SOURCE: Table 4.
NOTES: Securities activities include underwriting, dealing and brokering all kinds of securities and all aspects of the mutual fund business.
Insurance activities include underwriting and selling insurance products/services as principal and as agent.
Real estate activities include investment, development and management.
DEFINITIONS: Unrestricted- A full range of activities in the given category can be conducted directly in the bank.
Permitted- A full range of activities can be conducted, but all or some must be conducted in subsidiaries.
Restricted- Less than a full range of activities can be conducted in the bank or subsidiaries.
Prohibited- The activity cannot be conducted in either the bank or subsidiaries.

Table 6a
Permissible Corporate Organizational Form in which to Conduct Selected Bank Activities in Selected EU and G-10 Countries*

Country	Bank Holding Company Permitted	Securities Activities [1]				Insurance Activities [2]				Real Estate Activities [3]			
		Directly in the Bank	Bank Subsidiary	Bank Holding Company Subsidiary	Most Frequently Conducted in	Directly in the Bank	Bank Subsidiary	Bank Holding Company Subsidiary	Most Frequently Conducted in	Directly in the Bank	Bank Subsidiary	Bank Holding Company Subsidiary	Most Frequently Conducted in
Austria	Yes, but infrequently used	Yes	Yes	Yes	Bank [4]	No	No	Yes	Bank Holding Company Subsidiary [5]	Yes	Yes	N A	Bank
Canada	No	No	Yes	No	Bank Subsidiary	No	Yes	No	Bank Subsidiary	Yes	Yes & No	No	Bank Subsidiary
Finland	Yes, but infrequently used	Yes	Yes	Yes	Bank	Yes & No [6]	Yes	Yes	Bank Subsidiary	No	Yes	No	Bank Subsidiary
Germany	Yes, but infrequently used	Yes	Yes	Yes	Bank	No [7]	Yes	Yes	Bank Subsidiary	Yes	Yes	Yes	Bank Subsidiary
Greece	No [8]	Yes [9]	Yes	No	Bank Subsidiary	Yes [10]	Yes	No	Bank Subsidiary	No [11]	Yes	No	Bank Subsidiary
Ireland	Yes, but infrequently used	Yes	Yes	No	Bank Subsidiary	Yes [12]	Yes [12]	No	Bank	Yes	Yes	No	Bank
Italy	Yes, widely used	Yes	Yes	No	Bank	Yes	Yes	Yes	Bank Subsidiary [13]	No	Yes	Yes	Bank subsidiary
Luxembourg	No [14]	Yes	Yes	No	Bank	No	Yes	No	Bank Subsidiary	Yes	Yes	No	Bank Subsidiary
Netherlands	Yes, widely used	Yes	Yes	Yes	Bank	No	Yes	Yes	Bank Holding Company Subsidiary	No	Yes	Yes	Bank Subsidiary and Bank Holding Company Subsidiary
Portugal	Yes, but infrequently used	Yes	Yes	Yes	Bank & Bank Subsidiary	Yes	Yes	Yes	Bank & Bank Subsidiary	No	Yes	Yes	Bank Subsidiary
Spain	Yes, but infrequently used	Yes	Yes	N A	Bank & Bank Subsidiary [15]	No	Yes	N A	Bank Subsidiary	No	Yes	N A	Bank Subsidiary
Sweden	No	Yes	Yes	No	Bank	No	Yes	No	Bank Subsidiary	No	No	No	N A
Switzerland	Yes, but infrequently used	Yes	Yes	Yes	Bank	Yes	Yes	Yes	Bank Subsidiary	Yes	Yes	Yes	Bank Subsidiary
United Kingdom	Yes, but infrequently used	Yes	Yes	Yes	Varies	Yes	Yes	Yes	Bank Subsidiary [16]	Yes	Yes	Yes	Varies

* Information as of January 1997.

SOURCE: Office of the Comptroller of the Currency using information provided by bank supervisory authorities in the respective countries.

NOTES:
(1) Securities activities include underwriting, dealing and brokering all kinds of securities and all aspects of the mutual fund business.
(2) Insurance activities include underwriting and selling insurance products/services as principal and as agent.
(3) Real estate activities include investment, development and management.
(4) Securities activities fall under the banking activities provisions of Section 1 Austrian Banking Act. Hence, such business may be conducted exclusively by a bank.
(5) Insurance activities require a license by the insurance supervisory authority (Ministry of Finance).
(6) Insurance activities in Finland may be conducted in the bank as agent but not as principal.
(7) Except as agent for insurance companies.
(8) Holding companies may own the majority of shares in a Greek bank, but there is no specific legal framework referring to such companies.
(9) Only underwriting and custodian services.
(10) Only selling insurance products combined with deposits - no insurance risk may be assumed by banks.
(11) Excluding investment in bank premises.
(12) Only includes selling insurance products and services as agent.
(13) Italian banks are not directly involved in insurance activities; these must be conducted by insurance companies subject to specific rules. Banks usually act as an agent of insurance companies, selling product through their branches.
(14) Pure holding companies are permitted to incorporate under Luxembourg law, but the statute of a bank holding company does not exist. This type of company is not submitted to any prudential control by any authority.
(15) Public debt directly in bank and stock exchange in bank subsidiary.
(16) With the exception of selling insurance as an agent, which is commonly conducted directly in the bank.

Table 6b
Permissible Corporate Organizational Form in which to Conduct Selected Bank Activities in the U.S.*

Corporate Organizational Form[4]	Securities Activities[1]	Insurance Activities[2]	Real Estate Activities[3]
Directly in Bank:			
National Bank	Limited [4]	Limited [5]	No [6]
State Bank	Varies [7]	Varies [8]	Varies [9]
Indirectly Through Subsidiary of:			
National Bank	Limited	Limited	Limited
State Bank	Varies	Varies	Varies
Bank Holding Company Nonbank Subsidiary	Limited [11]	Limited [12]	Limited [13]

* Information as of January 1997.
SOURCE: Office of the Comptroller of the Currency.
NOTES: (1) Securities activities include underwriting, dealing and brokering all kinds of securities and all aspects of the mutual fund business.
(2) Insurance activities include underwriting and selling insurance products/services as principal and as agent.
(3) Real estate activities include investment, development and management.
(4) National banks are not permitted to underwrite or deal in securities, except for governmental obligations or other designated securities. 12 U.S.C Sections 24(Seventh) and 378. National banks may engage in brokering all types of securities and investment products.
(5) National banks operating in a place of 5,000 or less are permitted to sell all insurance products. Other national banks are limited to selling credit related insurance.
(6) With the exception of bank premises and property acquired in connection with credit activities, national banks are not permitted to hold or deal in real estate.
(7) The permissibility of state bank securities activities varies from state to state. Under the Federal Deposit Insurance Act, however, insured state banks may not engage as principal in any type of activity that is not permissible for a national bank unless the Federal Deposit Insurance Corporation determines that the activity does not pose a significant risk to the insurance fund and the state bank is in compliance with applicable capital standards. 12 U.S.C. 1831a(a) (the "FDI Act Limitation").
(8) The permissibility of state bank insurance sales activities varies from state to state subject tot he FDI Act Limitation. State banks may not underwrite insurance except to the extent that activity is permissible for national banks. 12 U.S.C. 1831a(b)(1).
(9) The permissibility of state bank real estate activities varies from state to state subject to the FDI Act Limitation.
(10) Subsidiaries of national banks may engage in activities that tare authorized for their parent banks or are part of or incidental to the business of banking.
(11) In addition to brokerage activities, and subject to specific approval, bank holding company subsidiaries may underwrite a limited amount of bank-ineligible securities. 12 U.S.C. Section 337.
(12) Bank holding companies generally are limited to sale of credit related insurance except in small towns or other places with inadequate insurance agency facilities. 12 C.F.R. Section 225.25(b)(8)(iii).
(13) Bank holding companies may perform appraisals of real estate and, under certain conditions, act as an intermediary for the financing of commercial or income producing real estate. 12 C.F.R. Sections 25(b)(14) and (15).

Table 7
List of Bank Activities Subject to Mutual Recognition in the EU

Acceptance of deposits and other repayable funds from the public.
Lending. [1]
Financial leasing.
Money transmission services.
Issuing and administering means of payment (e.g. credit cards, travelers' cheques and bankers' drafts).
Guarantees and commitments.
Trading for own account or for account of customers in: a. Money market instruments (cheques, bills, CDS, etc.) b. Foreign exchange c. Financial futures and options d. Exchange and interest rate instruments e. Transferable securities.
Participation in share issues and the provision of services related to such issues.
Advice to undertakings on capital structure, industrial strategy and related questions and advice and services relating to mergers and the purchase of undertakings.
Money brokering.
Portfolio management and advice.
Safekeeping and administration of securities.
Credit reference services.
Safe custody services.

SOURCE: Official Journal of the European Communities (1989).

NOTES: 1. Including *inter alia*: consumer credit; mortgage credit; factoring, with or without recourse; financing of commercial transactions (including forfaiting).

2. The Second Banking Directive specifies that EU bank or "credit institution" (i.e., deposit-taking and lending institutions) may conduct directly or through branches the listed activities throughout the EU so long as their home countries authorize the activities. Subsidiaries of credit institutions governed by law of the same member state may also conduct the activities, subject to conditions that include 90 percent ownership and a guarantee of commitments by the parent credit institutions. Insurance and real estate are not on the list and are therefore determined by home and host country regulations. The Second Banking Directive took effect January 1, 1996.

Table 8
U.S. Bank Holding Companies with Section 20 Subsidiaries [1]
(February 1996)

Banking Organization	Effective Date
Bankers Trust New York Corporation [4]	April 1987
Citicorp [4]	April 1987
J.P. Morgan & Co., Inc.[4]	April 1987
PNC Financial Corp.	July 1987
Chase Manhattan Corporation [4]	May 1987
Chemical Banking Corporation [2,4]	May 1987
The Bank of Montreal [4]	May 1988
First Chicago NBD Corporation [5]	August 1988
Fleet Financial Group	October 1988
Barnett Banks	January 1989
Nationsbank Corporation [4]	May 1989
SouthTrust Corporation	July 1989
First Union Corporation [4]	August 1989
Norwest Corporation	December 1989
Barclays Bank PLC [5]	January 1990
Canadian Imperial Bank of Commerce [4]	January 1990
The Royal Bank of Canada [4]	January 1990
The Bank of Nova Scotia [4]	April 1990
The Long-Term Credit Bank of Japan, Ltd.	May 1990
The Toronto-Dominion Bank [4]	May 1990
The Sanwa Bank, Ltd.	May 1990
ABN AmRo Bank N.V. [4]	June 1990
Banc One Corporation	July 1990
Dai-Ichi Kangyo Bank, Ltd.	January 1991
Dauphin Deposit Corporation [4]	June 1991
Synovus Financial Corporation	September 1991
Huntington Bancshares Inc.	December 1992
Deutsche Bank AG [4]	December 1992
BankAmerica Corporation [4]	March 1992
Bank South Corporation [3]	May 1993
SunTrust Banks, Inc.	August 1994
Republic New York Corporation [4] (sub. of Saban, S.A.)	January 1994
National City Corporation [4]	February 1994
First of America Corporation [5]	October 1994
Swiss Bank Corporation [4]	December 1994
Mellon Bank Corporation	April 1995
Banco Santander, S.A. [4]	March 1995
Keycorp	February 1996
HSBC Holdings PLC [4]	February 1996

SOURCE: Federal Reserve System.

NOTES:
1. Authorized to underwrite and deal in certain municipal revenue bonds, mortgage-related securities, commercial paper and consumer-receivable related securities.
2. Chemical Banking Corporation received Board approval to merge with Chase Manhattan Corporation on January 5, 1996.
3. Nationsbank Corporation received Board approval to acquire Bank South Corporation on December 18, 1995.
4. Also has corporate debt and equity securities powers
5. Also has corporate debt securities powers

Table 9a
Key Dates for the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994

Date	Event	Summary
September 24, 1994 to May 31, 1997	Interstate Bank Merger and Branch Acquisition Early Opt-in	A state may "opt in early" to allow interstate merger transactions, including branch acquisitions, to occur prior to June 1, 1997.
	Interstate Bank Merger Opt-out	A state may "opt-out" to prohibit interstate merger transactions entirely.
Anytime after date of enactment	Interstate De Novo Branching Opt-in.	A state may expressly permit out-of-state banks to establish de novo branches within its limits.
One year after date of enactment and thereafter	Interstate Banking	A bank holding company may acquire banks located in any state. States do not have the ability to opt out. However, the acquiring institution is not permitted to control more than 10 percent of nationwide deposits or 30 percent of deposits in the state entered.
	Facility Banking	A bank subsidiary may provide certain banking services as an agent for its depository institution affiliates.
June 1, 1997 and thereafter	Interstate Bank Mergers	Banks in different states may merge, unless one of the states has opted out of interstate merger transactions by June 1, 1997.
	Interstate Branch Acquisitions	Banks may acquire an existing branch located in another state, if the law of that State permits it.
	30-Mile Relocations	The Act restricts a national bank's ability to retain its branches following an interstate main office relocation.

SOURCE: Office of the Comptroller of the Currency.

Table 9b
Status of Interstate Branching Legislation in the States*

State	Effective Date	Opt In	Opt Out	Allows De Novo	Acquisition of Branch Only [1]	Minimum Age Requirement
Alabama	5/31/97	Yes	n/a	No	No	5 Year
Alaska	1/1/94	n/a [2]	n/a	No	No	None
Arizona	8/31/96	Yes	n/a	No	No	5 Year
California	10/2/95	Yes	n/a	No	No	5 Year
Colorado	6/1/97	No [3]	n/a	No	No	5 Year
Connecticut	6/27/95	Yes	n/a	Reciprocal basis	Yes	5 Year
Delaware	9/29/95	Yes	n/a	No	No	5 Year
District of Columbia	6/13/96	Yes	n/a	Reciprocal basis	Reciprocal basis	2 Year
Florida	5/31/97	Yes	n/a	No	No	3 Year
Georgia	6/1/97	Yes	n/a	No	No	5 Year
Hawaii	6/1/97	Yes	n/a	No	No	5 Year
Idaho	7/1/95	Yes	n/a	No	No	5 Year
Illinois	6/1/97	Yes	n/a	No	No	None
Indiana	3/15/96	Yes	n/a	Reciprocal basis	Yes	None
Iowa	6/1/97	No [3]	n/a	No	No	5 Year
Kentucky	6/1/97	Yes	n/a	No	No	5 Year
Louisiana	6/1/97	No [3]	n/a	No	No	5 Year
Maine	1/1/97	Yes	n/a	Reciprocal basis	Yes	None
Maryland	9/29/95	Yes	n/a	Reciprocal basis until 6/1/97, then unrestricted	Yes	None
Massachusetts	8/2/96	Yes	n/a	Reciprocal basis	Yes	3 Year
Michigan	11/29/95	Yes	n/a	Reciprocal basis	Yes	None
Minnesota	6/1/97	Yes	n/a	No	No	5 Year
Mississippi	5/1/97	Yes	n/a	No	No	5 Year
Nevada	9/28/95	Yes	n/a	In counties with less than 100,000	In counties with less than 100,000	5 Year
New Hampshire	6/1/97	Yes	n/a	No	No	5 Year
New Jersey	4/17/96	Yes	n/a	No	Reciprocal basis	None

Table 9b (continued)

State	Effective Date	Opt In	Opt Out	Allows De Novo	Acquisition of Branch Only[1]	Minimum Age Requirement
New Mexico	9/1/96	Yes	n/a	No	No	5 Year
New York	2/6/96	Yes	n/a	No	Yes	None
North Carolina	6/22/95	Yes	n/a	Reciprocal basis until 6/1/97, then unrestricted	Yes	None
North Dakota	5/31/97	Yes	n/a	No	No	None
Oklahoma	5/31/97	Yes	n/a	No	No	5 Year
Oregon	2/27/95	Yes	n/a	No	Yes	3 Year
Pennsylvania	7/6/95	Yes	n/a	Reciprocal basis	Reciprocal basis	None
Puerto Rico	9/29/95	Yes [4]	n/a	Yes	Yes	None
Rhode Island	6/20/95	Yes	n/a	Reciprocal basis	Yes	None
South Carolina	7/1/96	Yes	n/a	No	No	5 Year
South Dakota	7/1/96	Yes	n/a	No	No	5 Year
Tennessee	6/1/97	Yes	Yes	No	No	5 Year
Texas	8/28/95	Yes	n/a	n/a	n/a	n/a
Utah	6/1/95	Yes	n/a	No	Yes	5 Year
Vermont	5/30/96	Yes	n/a	No	Yes	5 Year
Virginia	7/1/95	Yes	n/a	Reciprocal basis	Yes	None
Washington	6/6/96	Yes	n/a	No	No	5 Year
West Virginia	5/31/97	Yes	n/a	Reciprocal basis	Reciprocal basis	None
Wyoming	5/31/97	Yes	n/a	No	No	3 Year

* As of February 21, 1997, 43 states, the District of Columbia and Puerto Rico have acted on interstate branching.

NOTES: 1. Allows out-of-state banks to acquire a portion of an in-state bank's branch network rather than requiring the purchase of the entire bank.
2. Passed interstate branching legislation pre-Riegle-Neal.
3. Includes no express authorization of interstate branching, but sets requirements and restrictions on interstate branch operation.
4. Circular Letter Number 95-96-D-55-2, issued on September 29, 1995, clarifies that interstate banking and branching have been authorized by the Banking Act since its adoption in 1933.

SOURCE: Conference of State Bank Supervisors.

Table 10
Deposit-Insurance Schemes for Commercial Banks in the EU and G-10 Countries: 1995

Administration of and Membership in the System						
Country	Name of Guarantee/Insurance System	Year First Established	Date Current System Took Effect	Administration of System: Government or Industry	Agency Responsible for Administering System	Membership: Voluntary or Compulsory
Austria	Deposit Guarantee System	1979	July 1, 1995	Industry	Sectoral Associations	Compulsory
Belgium	Guarantee Scheme for Deposits with Credit Institutions	1974	January 1, 1995	Government/Industry - joint	Herdiscontering-en Waarborginstituut-Institut de Reescompte et de Garantie	Compulsory
Canada	Canada Deposit Insurance System	1967	1967	Government (Crown Corporation)	Canada Deposit Insurance Corporation	Compulsory
Denmark	Deposit Insurance Fund	1987	July 1, 1995	Government	Deposit Insurance Fund	Compulsory
Finland [1]	Quarantee Fund of Commercial Banks and Postipankki Ltd.	1966	July 1, 1995	Industry	Quarantee Fund of Commercial Banks and Postipankki Ltd.	Compulsory
France	Deposit Guarantee Fund	1980	No information	Industry	French Bankers' Association	Compulsory
Germany	Deposit Protection Fund of the Federal Association of German Banks	1966	1976	Industry	Federal Association of German Banks	Voluntary
Greece	Deposit Guarantee Fund	1995 [2]	July 17, 1995	Government/Industry - joint	Deposit Guarantee Fund	Compulsory
Ireland	Deposit Protection Account (Central Bank)	1989	July 1, 1995	Government	Central Bank of Ireland	Compulsory
Italy	Fonds Interbancario Di Tutela Dei Depositi	1987	1987	Industry	Independently Administered	Voluntary
Japan	Deposit Insurance Corporation	1971	No information	Government/Industry - joint	Deposit Insurance Corporation	Compulsory
Luxembourg	Association pour la Garantie des Depots, Luxembourg (AGDL)	1989	October 1995	Industry	AGDL	Compulsory
Netherlands	Collective Guarantee System	1979	July 1, 1995	Government/Industry - joint	De Netherlandsche Bank N.V.	Compulsory
Portugal	Deposit Guarantee Fund	1992	1994	Government	Deposit Guarantee Fund	Compulsory
Spain	Deposit Guarantee Fund	1977	End of 1995	Government/Industry - joint	Fondo de Garantia de Depositos	Compulsory
Sweden	Swedish Deposit-Guarantee Scheme	1974	January 1, 1996	Government	The Bank Support Authority	Compulsory
Switzerland	Deposit Guarantee Scheme	1982	July 1, 1993	Industry	Swiss Banker's Association	Voluntary
United Kingdom	Deposit Protection Fund	1982	July 1, 1995	Government	Deposit Protection Board	Compulsory
United States	Bank Insurance Fund	1933	January 1, 1996	Government	Federal Deposit Insurance Corporation	Compulsory
European Union (EC Directive on Deposit-Guarantee Schemes)	Determined within each member state	Adopted on May 30, 1994	July 1, 1995	Only directs that each member state shall ensure within its territory one or more deposit guarantee schemes are introduced and officially recognized.	Determined within each member state.	Compulsory

Table 10 (continued)

Coverage or Protection								
Country	Extent or Amount of Coverage	Interbank Deposits Covered	Deposits of Foreign Branches of Domestic Banks Covered		Deposits of Domestic Branches of Foreign Banks Covered		Foreign-Currency Denominated Deposits Covered	Non-resident Depositors Covered
			Branches located in EU Country	Branches located in Non-EU Country	Branches of EU Banks	Branches of Non-EU Banks		
Austria	ATS 260,000 (per physical person-depositor)	No	Yes	Yes	Yes, amount depends on home country.	Yes	Yes	Yes
Belgium	15,000 ECU until Dec. 1999 20,000 ECU thereafter	No	Yes	No	Yes [4]	Yes	Yes; but only deposits expressed in ECU or another EU currency.	Yes
Canada	Can $60,000 (per depositor)	Yes	No	No	Yes [3]	Yes [3]	No	Yes
Denmark	300,000 DKK or 42,000 ECU (per depositor)	No	Yes	Yes	Yes [4]	Yes	Yes	Yes
Finland	100 percent (per depositor)	No	Yes	Yes	Yes [4]	Yes	Yes	Yes
France	FF 400,000 (per depositor)	No	Yes	No, except for EEA countries.	Yes	Yes	Yes, but only deposits expressed in ECU or another EU currency.	No information
Germany	100% up to a limit of 30% of the bank's liable capital (per depositor)	No	Yes	Yes	Yes	Yes	Yes	Yes
Greece	20,000 ECU (per depositor)	No	Yes [5]	Yes [5]	Yes [4]	Yes [6]	Yes	Yes
Ireland	90% of deposit - Max. Compensation is 15,000 ECU	No	Yes	Yes	No	Yes	Yes	Yes
Italy	100% of first 200 million Lit and 75% of next 800 million Lit (per deposit)	No	Yes	Yes [7]	Yes	Yes	Yes	Yes
Japan	10 million Yen (per depositor)	No	No	No	No	No	No	Yes
Luxembourg	Lux F 500,000 (per depositor), only natural persons	No	No	No	Yes	Yes	Yes	Yes
Netherlands	20,000 ECU (per depositor); compensation paid in Guilders	No	Yes	No	Yes [4]	Yes [8]	Yes	Yes
Portugal	100% up to 15,000 ECU 75% - 15,000 - 30,000 ECU 50% - 30,000 - 45,000 ECU (per depositor)	No	Yes	No	Yes [4]	Yes	Yes	Yes
Spain	Ptas 1.5 million (per depositor); to be increased to 20,000 ECU.	No	Yes	Yes	Yes	Yes	Yes	Yes
Sweden	SEK 250,000 (per depositor)	No	Yes [9]	No [10]	Yes [4]	Yes	Yes	Yes
Switzerland	SF 30,000 (per depositor)	No	No	No	Yes	Yes	Yes	Yes
United Kingdom	90% of protected deposits, with the maximum amount of deposits protected for each depositor being L20,000 (unless the sterling equivalent of ECU 22,222 is greater). Thus, the most an individual can collect in a bank failure is L18,000 (per depositor) or ECU 20,000 if greater.	No	Yes, throughout EEA.	No	Yes [12]	Yes [13]	Yes, but only deposits in other EEA currencies and the ECU, as well as sterling.	Yes
United States	100,000 USD (per depositor)	No	No	No	No, unless engaged in retail deposit-taking activities.	No, unless engaged in retail deposit-taking activities.	Yes	Yes

European Union	The aggregate deposits of each depositor must be covered up to ECU 20,000. Until December 31, 1999, member states in which deposits are not covered up to ECU 20,000 may retain the maximum amount laid down on their guarantee schemes, provided that this amount is not less than ECU 15,000 (per depositor).	No	If located within the EU, but until December 31, 1999 not to exceed the maximum amount laid down in their guarantee scheme within the territory of the host member state. If the host member state has greater coverage a branch may voluntarily supplement its coverage.	This issue is determined by each member state.	Yes, either by having coverage equivalent to the Directive or by joining the host-country deposit-guarantee scheme if it is more favorable for the extra coverage.	NA	Yes, if denominated in ECU or currencies of member states of EU. Otherwise, de	Yes, determined within each member state.

Table 10 (continued)

Funding					
Country	Ex ante or Ex post Funding	Fund Minimum Reserve Level	Base for Premium	Premium Rate	Risk-Based Premiums
Austria	Ex post, system organized as an incident-related guarantee facility.	NA	The deposit guarantee system shall obligate its member institutions, in case of paying-out of guaranteed deposits, to pay without delay pro rata amounts which shall be computed according to the share of the remaining member institution at the preceding balance sheet date as compared to the sum of such guaranteed deposits of the deposit guarantee system.	See adjacent column to left.	NA
Belgium	Ex ante, but in case of insufficient reserves, banks may be asked to pay, each year if necessary, an exceptional additional contribution up to 0.04 percent.	No	Total amount of customers' deposits which qualify for reimbursement and which are expressed either in BEF, ECU or another EU currency.	0.02 percent	No
Canada	Ex ante	No	Insured Deposits	One-sixth of one percent	No
Denmark	Ex ante	Yes, 3 billion DKK.	Deposits	Max 0.2 percent	No
Finland	Ex ante	No	Total Assets	Between 0.01 and 0.05 percent	No
France	Ex post	NA	The contribution consists of two parts: a 1. A fixed part, irrespective of the size of the bank, equal to 0.1% of any claim settled and with a FFR 200,000 ceiling; 2. A proportional part, varying according to a regressive scale relative to the size of the bank contributing, based on deposits and one-third credits.	See adjacent column to left.	NA
Germany	Ex ante; however, additional assessments may be made if necessary to discharge the fund's responsibilities. These contributions are limited to twice the annual contribution.	No	Balance sheet item "Liabilities to Customers."	0.03 percent	No
Greece	Ex ante	No	Total Deposits	0 - 200 billion GRD 2%; 200 - 500 billion GRD 1%; 500 - 1,000 billion GRD 0.4%; Above 1,000 billion GRD 0.1%	No
Ireland	Ex ante	No, but see information under Premium Rate column.	Total Deposits excluding Interbank Deposits and Deposits represented by Negotiable Certificates of Deposit.	0.2 percent, with a minimum of L 20,000	No
Italy	Ex post; banks commit ex ante, however contributions are ex post.	NA	Max. limit for funding the whole system: 4,000 Billion Lire. Contributions are distributed among participants on the basis of: (Deposits + Loans - Own Funds) with a correction mechanism linked to deposit growth.	See adjacent column to left.	NA
Japan	Ex ante	No	Insured Deposits	0.012 percent	No
Luxembourg	Ex post	NA	Banks' premiums based on percentage of loss to be met.	See adjacent column to left.	NA
Netherlands	Ex post	NA	Amount repaid in Compensation to insured is apportioned among participating institutions. However, the contribution in any one year shall not exceed 5% per an institution's own funds and per all institutions' own funds.	See adjacent column to left.	NA

Portugal	Ex ante. However, the payment of the annual contributions may be partly replaced, with a legal maximums of 75%, by the commitment to deliver the amount due to the Fund, at any moment it proves necessary.	No	Guaranteed Deposits	0.08 to 0.12 percent	Yes

Table 10 (continued)

Funding					
Country	Ex ante or Ex post Funding	Fund Minimum Reserve Level	Base for Premium	Premium Rate	Risk-Based Premiums
Spain	Ex ante	No	Deposits	Max. 2 per thousand. Premiums will be interrupted when the fund reaches 2%.	No
Sweden	Ex ante	No	Covered Deposits	0.25 percent [11]	Yes
Switzerland	Ex post	NA	Two Components: Fixed fee in relation to gross profit; Variable fee depending on share of total protected deposits of an individual bank.	See adjacent column to left.	NA
United Kingdom	Ex ante; banks make initial contributions of L10,000 when a bank is first authorized, further contributions if the fund falls below L3 million, not exceeding L300,000 per bank based on the insured deposit base of the banks involved, and special contributions, again based on the insured deposit base of the banks involved, but with no contribution limit.	Yes, the fund is required by law to maintain a level of L 5 million to L 6 million, but the DPB can decide to borrow to meet its needs.	All deposits in EEA currencies less deposits by credit institutions; financial institutions, insurance undertakings, directors, controllers and managers, secured deposits, CDS, deposits by other group companies and deposits which are part of the bank's own funds.	Initial contributions are 0.01 percent. The rate of other contributions depends on the sum required to be raised.	No
United States	Ex ante	Yes, 1.25 percent of insured deposits.	Domestic Deposits	0 to 0.27 percent, subject to a flat minimum of $2,000 for the highest rated banks.	Yes
European Union	Determined within each member state.	Determined within each member state.	Determined within each member state.	Determined within each member state.	Determined within each member state.

SOURCE: Supervisory authorities in the listed countries provided information used to prepare this table. However, they are not responsible for any errors or misinterpretations. For exact information one must consult the pertinent laws and regulations in the i ndividual countries.

In the case of Japan, a source was Lee (1996). In the case of France, a source was Banking Federation of the European Union (1995).

NOTES:
1. A government guarantee fund was also established in 1992.
2. There was no deposit guarantee scheme prior to 1995.
3. Foreign banks must incorporate subsidiaries to operate in Canada. Deposits of foreign bank subsidiaries are covered by CDIC insurance.
4. Yes, if they join for supplementary coverage.
5. Unless covered by an equivalent host country scheme.
6. Unless covered by an equivalent home country scheme.
7. Only if bank does not participate in local system.
8. If the coverage by their home state is equivalent.
9. Covers EEA countries.
10. Unless application for non-EEA country is approved.
11. Premium rate varies by institution based upon several factors.
12. For depositors of UK branches of EEA banks whose coverage is less generous, they have the option to pay for equivalent coverage.
13. Unless the Deposit Protection Board is satisfied that the home country scheme provides equivalent coverage to UK depositors.

DESCRIPTION: The EU and the 7-member European Free Trade Association (EFTA) - except Switzerland - form the European Economic Area (EEA), a single market of 18 countries. In addition to the EU countries, it includes Iceland, Liechtenstein and Norway. EFTA includes Austria, Finland, Iceland, Norway, Sweden, Switzerland and Liechtenstein. The EEA was initially established in May of 1992 and came fully into effect in January of 1994.

Table 11
Commercial Bank Supervisory Practices in the EU and G-10 Countries: 1995

	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Luxembourg
Components of capital for meeting the capital standards or requirements:										
Noncumulative perpetual preferred stock	Yes	Yes	No, does not exist	Yes	No, issues not permitted in domestic market	Yes	Yes	Yes, no limits	Yes, but limits	Yes
Current year profit-added (or loss deducted)	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Intangible assets other than goodwill	No	No	No	No	No, except for lease renewal rights	No	Yes	No	Yes	No
Goodwill [3]	No	No	No	No	No	No	Yes	No	Yes	No
Undisclosed reserves [4]	Yes, but limits	Yes, but limits	No information	No	No	Yes, but limits	No	No	No	Yes
Hybrid capital instruments (including cumulative perpetual preferred stock) [5]	Yes, but limits	Yes, but limits	No, does not exist	Yes	Yes	Yes, but limits	Yes, but limits	Yes, but limits	Yes, but limits	Yes
Subordinated term debt [6]	Yes, but limits	Yes, but limits	Yes	Yes	Yes	Yes, but limits	Yes, but limits	Yes, but limits	Yes, but limits	Yes
Limited life redeemable preference shares [7]	No	Yes, but limits	No, does not exist	Not applicable	Yes, but not issued	No	Yes, but not utilized at present	Yes, but limits	No, does not exist	Yes
Fixed asset revaluation reserves [8]	Yes, but limits	Yes, but limits	No, does not exist	Yes	Yes	No	Yes, but limits	Yes, but limits	Yes, but limits	No
Latent, or hidden, revaluation reserves [9]	No	No	No, does not exist	No	No	Yes, but limits	No	No	No	No
General loan loss reserves [10]	Yes	Yes	No, does not exist	Yes	Yes	Yes, but limits	Yes	Yes, but limits	Yes, but limits	Yes
Investment in the capital of other banks and financial institutions	No	No	No	No	Yes, but limits	No	No	No	No	No
Examinations and/or Inspections:										
On-Site	Yes	Yes	Yes, usually every 3 years	Yes, not regularly	Yes	Yes	Yes, generally every 2- 3 years	Yes, usually every 18-24 months	Yes, usually every 4-8 years	Yes, on ad hoc basis
Banks pay exam	Yes	No	Yes	Yes	No information	Yes	No	No	No	Yes
External audits:										
Required external audits	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes, for banks quoted on the stock exchange	Yes

Table 11 (continued)

	Netherlands	Portugal	Spain	Sweden	United Kingdom	Canada	Japan	Switzerland	U.S.
Components of capital for meeting the capital standards or requirements:									
Noncumulative perpetual preferred stock	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes, no limits.	Yes
Current year profit-added (or loss deducted)	Yes	Yes	No	Yes	Yes 11	Yes	Yes	Yes	Yes
Intangible assets other than goodwill	Yes	Yes	No	No	No	Yes	Yes	No	No, with limited exceptions.
Goodwill [3]	Yes	Yes	No	No	No	No	No	No	No
Undisclosed reserves [4]	Yes	No information.	No	No	Not applicable.	No	No	Yes, but limits.	No
Hybrid capital instruments (including cumulative perpetual preferred stock) [5]	Yes	Yes	Yes, but limits.	Yes with approval.	Yes, but limits.	Yes	Yes, but not prevalent.	Yes, but limits and not including cumulative perpetual preferred stock.	Yes, but limits.
Subordinated term debt [6]	Yes	Yes, but limits.	Yes, but limits.	Yes	Yes, but limits.	Yes	Yes	Yes, but limits.	Yes, but limits.
Limited life redeemable preference shares [7]	Yes	No information.	Yes, but limits.	No	Yes	Yes	Yes, but not issued.	No	Yes, but limits.
Fixed asset revaluation reserves [8]	Yes	Yes	Yes, but limits.	Yes, with approval.	Yes, with caution.	No	No	Yes, but limits.	No
Latent, or hidden, revaluation reserves [9]	Yes	No information.	No	No	Not applicable.	No	Yes	Yes, but limits.	No
General loan loss reserves [10]	Yes	Yes	No	No	Yes, but limits.	No	Yes	Yes, no limits.	Yes, but limits.
Investment in the capital of other banks and financial institutions	Yes	No	No	No	No	Yes, but back-to-back issues are deducted.	No, if sole purpose is to raise capital ratio.	No	No
Examinations and/or Inspections:									
On-Site	Yes, depends on size/risk profile.	Yes, usually annually.	Yes	Yes	Yes, but limited and usually biennially.	Yes, annually.	Yes	No [13]	Yes
Banks pay exam	No	No	No	No	No, not directly.	Yes	No information.	Yes	Yes
External audits:									
Required external audits	Yes	Yes	Yes	Yes	Yes	Yes	No information.	Yes, official part of supervisory system.	Yes, for banks with assets exceeding $500 million.

Table 11 (continued)

	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Luxembourg
Information publicly disclosed:										
Bank Examinations or Inspections	No	No	No	No	No information.	No	No	No	No	No
Enforcement actions	No	Yes	No	No	No information.	No	No	No	Yes	No
Consumer protection laws:										
Consumer protection laws exist	Yes	Yes	No, not specifically for banks.	Yes	No information.	Yes	Yes	Yes	Yes	Yes
Domestic bank activities abroad:										
Specific authorization required	No	No, only notification.	No	No	No	No	Yes	Yes	Yes	No
Limits or restrictions placed on domestic banks' foreign activities	No	No, only notification.	No	No	No	No	No	No	No	No
Rates paid on deposits or charged on loans:										
Restrictions or controls	No	Yes, only on consumer loans and special savings accounts.	No	Yes	No information.	No	No	No	No	No
Lending limits on:										
A single borrower	Yes	Yes	Yes	Yes	No information.	Yes	Yes	Yes	Yes	Yes
Persons connected with the bank	Yes	Yes	No	Yes	No information.	No	Yes	Yes	Yes	Yes
Particular sectors	No	No	No	Yes	No information.	No	No	No	Yes	No
Country risk exposure	No	No	No	Yes	No information.	No	No	No	No	No
Large exposures	Yes	Yes	Yes	Yes	No information.	Yes	Yes	Yes	Yes	Yes

Table 11 (continued)

	Netherlands	Portugal	Spain	Sweden	United Kingdom	Canada	Japan	Switzerland	U.S.
Information publicly disclosed:									
Bank Examinations or Inspections	No	No	No	No	No	No	No information.	No	No
Enforcement actions	No	Yes	No	No	Yes, but not explicitly naming institutions.	No	No information.	No	Yes
Consumer protection laws:									
Consumer protection laws exist	Yes	Yes	Yes	Yes	No	Yes	No information.	No	Yes
Domestic bank activities abroad:									
Specific authorization required	No	Yes	Yes, but only branches outside EU.	No	No [2]	No	No information.	No, only notification.	No
Limits or restrictions placed on domestic banks' foreign activities	Yes	No	No	No	No [2]	No	No information.	No	Yes
Rates paid on deposits or charged on loans:									
Restrictions or controls	No	No	No	No	No	No	No, with few relatively minor exceptions.	Yes, but only on consumer loans.	Yes, but not particularly confining.
Lending limits on:									
A single borrower	Yes	Yes	Yes	Yes	Yes [1]	Yes	Yes	Yes	Yes
Persons connected with the bank	Yes	Yes	Yes	No	Yes [1]	Yes	No information.	Yes	Yes
Particular sectors	Yes	No	No	Yes	No [12]	No	No information.	No	No
Country risk exposure	Yes	No	No	No	No [12]	No	No information.	No, but provision requirements per country.	No
Large exposures	Yes	Yes	No	Yes	Yes [1]	Yes	No information.	Yes	No

SOURCE: Supervisory authorities in the listed countries provided information used to prepare this table. However, they are not responsible for any errors or misinterpretations. For exact information one must consult the pertinent laws and regulations in the individual countries. Board of Governors of the Federal Reserve System and Secretary of the Department of the Treasury (1992) was a source for France and Japan. Also, in the case of France, a source was U.S. General Accounting Office (1995).

NOTES:
(1) Explicitly or implicitly, in relation to the size of the bank's capital base.
(2) However, does depend on nature and circumstances of the bank and country involved.
(3) Goodwill is an intangible asset.
(4) Undisclosed reserves are portions of accumulated after-tax retained earnings not identified in the published balance sheet or otherwise disclosed, except to banking supervisors.
(5) Hybrid-capital instruments including cumulative preferred stock are instruments that combine the characteristics of equity capital and of debt, and should meet the following requirements: unsecured, subordinated, and fully paid-up; not redeemable at the initiative of the holder or without prior consent of supervisory authority; available to participate in losses without the bank being obliged to cease trading (unlike conventional subordinated debt); and all service obligations to be deferred where the profitability of the bank would not support payment.
(6) Subordinated term debt is normally not available to participate in losses of a bank that continues operating (included in capital only if minimum original maturity of five years).
(7) Limited life redeemable preference shares are the same as immediately above.
(8) Fixed asset revaluation reserves represent a formal revaluation, carried through to the balance sheet, of a bank's own premises.
(9) Latent, or hidden, revaluation reserves are the difference between the market value and historic cost book value of long-term holdings of equity securities.
(10) General loan loss reserves are reserves that are held against future and presently unidentified losses and are freely available to meet losses that may subsequently materialize.
(11) If profits have been verified by an external audit.
(12) Lending limits as such are not set; however, in determining appropriate capital adequacy ratios for each institution, the supervisory authority would have regard, inter alia, to the degree of concentration in the institution's asset profile.
(13) In Switzerland, on-site examinations are conducted solely through external auditors as an official part of the supervisory system, not through the Federal Banking Commission itself.

EXPLANATION: The Basle Committee on Banking Supervision (comprised of representatives of the central banks and supervisory authorities from the G-10 countries and Luxembourg) adopted the Basle Accord in July 1988. The Basle Accord is non-compulsory and applies only to internationally active banks. It is composed of four basic elements: (1) an agreed upon definition of Tier 1 (or core) capital, consisting primarily of common stockholders' equity and noncumulative perpetual preferred stock; (2) additional components of capital, constituting Tier 2 capital; (3) a general framework for assigning assets and off-balance sheet items to broad risk categories and procedures for calculating a risk-based capital ratio; and (4) a schedule for achieving, by not later than the end of 1992, a minimum ratio of total capital (Tier 1 plus Tier 2) to risk-weighted assets of eight percent (of which at least 4 percent should be in the form of core capital).

The EU issued two primary Directives addressing capital standards: the Own Funds and Solvency Ratio Directives, which were adopted in April 1989 and December 1989, respectively. These Directives have the force of law and apply to all banks incorporated in the member states. Banks were required to meet a minimum eight percent risk-weighted capital ratio by January 1, 1993. The EC Directives refer to “original own funds” and “additional own funds” rather than to Tier 1 (core) capital and Tier 2 (suppleme ntal) capital. However, these differences in terminology have no substantive effect.

The Basle Accord and the EC Directives do not provide for identical minimum capital standards for banks.

Table 12
Selected Supervisory and Deposit-Insurance Scheme Information for EU and G-10 Countries: 1995

Country	Bank Supervisor	On-Site Examinations	Banks Pay for Examinations	Public Disclosure of Enforcement Actions	Administration of Deposit Insurance Scheme	Funding for Deposit- Insurance Scheme	Coverage USD	1993 Per Capita GNP USD
Austria	Federal Ministry of Finance	Yes	Yes	No	Industry	Ex post	25,791	23,835
Belgium	Banking and Finance Commission	Yes	No	Yes	Government/Industry Jointly	Ex ante, but banks may have to contribute ex post as well.	19,608	21,559
Canada	Office of the Superintendent of Financial Institutions	Yes, annually.	Yes	No	Government	Ex ante	43,719	20,101
Denmark	Danish Financial Supervisory Authority	Yes, usually every 3 years.	Yes	No	Government	Ex ante	53,552	27,800
Finland	Financial Supervision	Yes, but no regular schedule.	Yes	No	Industry	Ex ante	NA	19,438
France	Credit Institutions Committee, Bank Regulatory Committee and Banking Commission	Yes	No Information.	No Information.	Industry	Ex post	80,136	22,324
Germany	Federal Banking Supervisory Office	Yes	Yes	No	Industry	Ex ante, but banks may have to contribute ex post as well.	NA	23,537
Greece	Bank of Greece	Yes, generally every 2-3 years.	No	No	Government/Industry Jointly	Ex ante	26,144	7,340
Ireland	Central Bank of Ireland	Yes, usually every 18-24 months.	No	No	Government	Ex ante	19,608	12,519
Italy	Bank of Italy	Yes, usually every 4-8 years.	No	Yes	Industry	Ex post	491,129	19,842
Japan	Ministry of Finance and Bank of Japan	Yes	No Information.	No Information.	Government/Industry Jointly	Ex ante	106,315	31,451
Luxembourg	Luxembourg Monetary Institute	Yes, on an ad hoc basis.	Yes	No	Industry	Ex post	16,960	25,878
Netherlands	Bank of Netherlands	Yes, depends on size/risk profile.	No	No	Government/Industry Jointly	Ex post	26,144	20,546
Portugal	Bank of Portugal	Yes, usually annually.	No	Yes	Government	Ex ante	44,118	7,853
Spain	Bank of Spain	Yes	No	No	Government/Industry Jointly	Ex ante	12,030	13,674
Sweden	Financial Supervisory Authority	Yes	No	No	Government	Ex ante	35,047	24,579
Switzerland	Swiss Federal Banking Commission	No.	Yes	No	Industry	Ex post	25,370	35,534
United Kingdom	Bank of England	Yes, but limited and usually biennially.	Yes	Yes, but not explicitly naming institutions.	Government	Ex ante	28,413	17,885
United States	Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, State Authorities	Yes, annually.	Yes	Yes	Government	Ex ante	100,000	24,763

SOURCE: Tables 1, 2, 9 and 10.

Table 13

Summary of Prompt Corrective Action Provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991

Zone	Total Risk-Based Capital[1]	Tier 1 Risk-Based Capital[2]	Tier 1 Leverage[3]	Tangible Equity[4]	Mandatory Provisions	Discretionary Provisions
Well Capitalized	≥ 10 and	≥ 6 and	≥ 5	—		
Adequately Capitalized	≥ 8 and	≥ 4 and	≥ 4	—	1. No brokered deposits, except with FDIC approval	
Undercapitalized	≥ 6 and	≥ 3 and	≥ 3	—	1. Suspend dividends and management fees 2. Require capital restoration plan 3. Restrict asset growth 4. Approval required for acquisitions, branching, and new activities 5. No brokered deposits	1. Order recapitalization 2. Restrict Inter-affiliate transactions 3. Restrict deposit interest rates 4. Restrict certain other activities 5. Any other action that would better carry out prompt corrective action
Significantly Undercapitalized	< 6 or	< 3 or	< 3 and	< 2	1. Same as for Zone 3 2. Order recapitalization[5] 3. Restrict inter-affiliate transactions[5] 4. Restrict deposit interest rates[5] 5. Pay of officers restricted	1. Any Zone 3 discretionary actions 2. Conservatorship or receivership if falls to submit or implement plan or recapitalize pursuant to order 3. Any other Zone 5 provision, if such action is necessary to carry out prompt corrective action.
Critically Undercapitalized	—	—	—	≤ 2	1. Same as for Zone 4 2. Receiver/conservator within 90 days[5] 3. Receiver if still in Zone 5 four quarters after becoming critically undercapitalized 4. Suspend payments on subordinated debt[5] 5. Restrict certain other activities	

SOURCE: Board of Governors of the Federal Reserve System and Federal Deposit Insurance Corporation.

NOTES: 1. Total capital as a percentage of risk-weighted assets. Total capital consists of Tier 1 plus Tier 2 capital. Tier 1 capital consists of common stockholders' equity, noncumulative perpetual preferred stock, and minority interests in the equity accounts of consolidated subsidiaries (excludes goodwill and other intangible assets). Tier 2 capital consists of the allowance for loan and lease losses (up to a maximum of 1.25 percent of risk-weighted assets), cumulative perpetual preferred stock, subordinated debt, and other selected capital instruments.

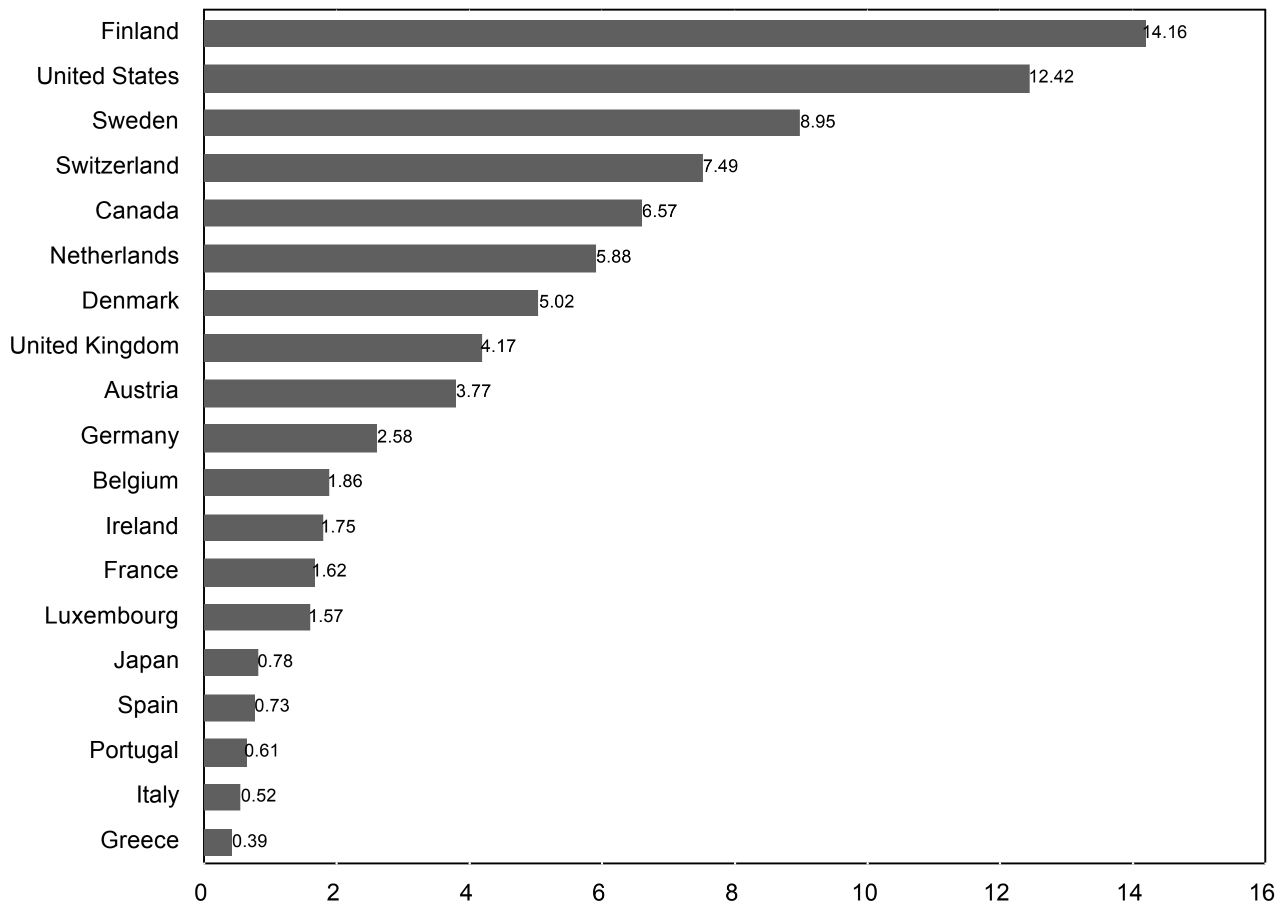
2. Tier 1 capital as a percentage of risk-weighted assets.
3. Tier 1 capital as a percentage of total average assets.
4. Tangible equity capital consists of Tier 1 capital plus cumulative perpetual preferred stock.
5. Not required if primary supervisor determines action would not serve purpose of prompt corrective action or if certain other conditions are met.

Table 14
Various Payment Media in Selected Industrial Countries: 1993

	Belgium	Canada	France	Germany	Italy	Japan	Netherlands	Sweden	Switzerland	U.K.	U.S.
Notes and Coin in Circulation											
$ U.S. per Inhabitant	1,164	636	749	1,511	921	3,243	1,263	1,039	2,638	455	1,272
As percentage of GDP	6.0	3.4	3.6	6.7	5.8	9.7	6.5	5.2	7.9	2.8	5.2
Cash Dispensers and ATMs											
Number of Machines per 1,000,000 inhabitants	119	554	325	308	266	935	291	255	439	321	367
Number of transactions per Inhabitant	9.1	37.5	13.3	NA	4.1	3.3	20.4	28.3	8.3	20.6	29.0
Average Value of Transactions ($ U.S.)	110.3	53.5	77.0	NA	196.8	392.9	96.4	101.2	207.8	72.7	70.7
EFTPOS Terminals											
Number of Terminals per 1,000,000 inhabitants	5,246	2,134	7,435	344	1,350	168	1,600	3,054	2,634	3,780	759
Number of Transactions per Inhabitant	15.60	2.60	24.30	0.85	0.39	0.005	4.40	7.20	4.00	NA	1.70
Average Value of Transactions ($ U.S.)	63.2	38.8	58.0	54.2	121.5	184.9	58.5	67.1	58.8	NA	24.0
Relative Importance of Cashless Payment Instruments											
% of Total Volume of Cashless Transactions											
Checks	16.0	58.7	49.1	8.3	37.2	NA	8.1	6.3	3.3	43.1	80.4
Payment Cards	16.5	31.1	15.7	2.6	4.1	NA	4.1	11.6	13.8	20.8	16.7
Credit Transfers	58.5	5.2	15.4	46.5	44.6	NA	66.4	77.1	80.1	20.4	1.9
Direct Debits	9.0	5.0	10.6	42.6	4.4	NA	21.5	5.0	2.8	15.6	1.0
% of Total Value of Cashless Transactions											
Checks	5.4	98.8	4.6	2.3	5.4	NA	0.1	7.2	0.1	9.4	12.6
Payment Cards	0.1	0.3	0.2	0.0	0.0	NA	0.0	0.9	NA	0.2	0.1
Credit Transfers	94.2	0.7	93.5	95.7	93.2	NA	98.8	88.8	99.9	89.5	86.2
Direct Debits	0.3	0.2	0.7	2.0	0.2	NA	1.1	3.1	NA	0.9	1.0

SOURCE: Bank for International Settlements (1994).

Figure 1
Potential for Electronic Banking?
(Internet Hosts per 1,000 Inhabitants)*
January 1995



* In this case, Internet Hosts refer to personal computers that support the Internet.
SOURCE: Organization for Economic Co-operation and Development (1996).

Table 15
Domestic and Foreign Activities of Selected U.S. Bank Holding Companies: 1993

	Total Assets		Total Deposits		Total Revenue		Total Net Income		Total Employees		Memo: Total Assets of Lead Bank
	Millions of USD	Percent foreign country related	Millions of USD	Percent in offices outside the U.S.	Millions of USD	Percent foreign country related	Millions of USD	Percent foreign country related	Number	Percent outside the U.S.	Millions of USD
Citicorp (operates in 93 countries)	228,240	51	145,089	64	16,075	50	2,219	70	81,500	53	Citibank 169,142
Chemical	149,888	24	98,277	23	12,427	27	1,604	36	41,567	N.A.	Chemical Bank 113,002
J. P. Morgan	133,888	45	40,402	82	11,941	82	1,586	75	15,193	41	Morgan Guarantee 95,732
Chase	102,677	34	71,509	43	6,812	89	966	32	34,390	25	Chase Bank 84,003
Bankers Trust	92,082	46*	22,776	55	7,800	57	955	87*	13,571	39	Bankers Trust 57,932
First Chicago	52,560	16	28,186	27	4,826	14	804	11	17,118	N.A.	First National Bank 34,491

SOURCE: Annual reports from bank holding companies.
NOTE: See annual reports for information about the allocation between domestic and foreign. * Before intersegment eliminations of $12,356 millions.

Table 16
U.S. Banking Presence Abroad: 1993

Year	Number of Offices						Assets (billions of USD)					
	Subsidiaries	Percent	Branches	Percent	Total	Percent	Subsidiaries	Percent	Branches	Percent	Total	Percent
Belgium	8	1.3	4	0.6	12	0.9	2.5	1.1	9.8	2.6	12.3	20.0
France	16	2.5	8	1.1	24	1.8	6.7	2.9	11.3	3.0	18.0	2.9
Germany	14	2.2	8	1.1	22	1.6	29.0	12.3	1.8	0.5	30.8	5.0
Greece	5	0.8	24	3.3	29	2.1	0.3	0.1	2.6	0.7	2.9	0.5
Italy	13	2.0	11	1.5	24	1.8	2.3	1.0	8.7	2.3	11.0	1.8
Luxembourg	12	1.9	0	0.0	12	0.9	5.7	2.4	0.0	0.0	5.7	0.9
Netherlands	5	0.8	2	0.3	7	0.5	0.6	0.3	1.9	0.5	2.5	0.4
Spain	11	1.7	11	1.5	22	1.6	6.5	2.8	9.0	2.4	15.5	2.5
Switzerland	14	2.2	6	0.8	20	1.5	7.9	3.4	1.7	0.4	9.6	1.6
U.K.	95	14.9	33	0.8	128	9.4	72.6	30.9	109.8	29.0	182.0	29.7
Other Europe	20	3.1	11	1.5	31	2.3	7.8	3.3	2.8	0.7	10.6	1.7
Total Europe	213	33.4	118	16.3	331	24.3	141.9	60.4	159.4	42.1	301.0	49.1
Canada	18	2.8	0	0.0	18	1.3	12.0	5.1	0.0	0.0	12.0	2.0
Japan	13	2.0	40	5.5	53	3.9	2.3	1.0	18.0	4.8	20.3	3.3
All other	393	61.7	566	78.2	959	70.5	78.7	33.5	201.3	53.2	280.0	45.6
Grand Total	637	100.0	724	100.0	136	100.0	234.9	100.0	378.7	100.0	614.0	100.0

SOURCE: Office of the Comptroller of the Currency.
NOTES: Data for subsidiaries based on annual FR2314 reports submitted to the Federal Reserve System by foreign subsidiaries of Federal Reserve System member banks. Subsidiaries include only those with greater than $1 million in total assets. Data for branches based on annual FFIEC 030 reports of foreign branches of Federal Reserve System.

Table 17
Foreign Banking Presence in the U.S.: 1993

Year	Number of Offices						Assets (billions of USD)					
	Subsidiaries	Percent	Branches	Percent	Total	Percent	Subsidiaries	Percent	Branches	Percent	Total	Percent
Austria	0	0.0	4	0.7	4	0.6	0.0	0.0	3.7	0.5	3.7	0.4
Belgium	0	0.0	4	0.7	4	0.6	0.0	0.0	4.9	0.7	4.9	0.5
Denmark	1	0.9	2	0.4	3	0.5	0.2	0.1	2.3	0.3	2.5	0.3
Finland	1	0.9	4	0.7	5	0.8	0.0	0.0	6.8	1.0	6.9	0.8
France	2	1.8	30	5.5	32	4.9	4.9	2.3	80.7	11.6	85.7	9.4
Germany	0	0.0	21	3.9	21	3.2	0.0	0.0	34.8	5.0	34.8	3.8
Greece	1	0.9	2	0.4	3	0.5	0.9	0.4	0.2	0.0	1.1	0.1
Ireland	0	0.0	2	0.4	2	0.3	0.0	0.0	0.3	0.0	0.3	0.0
Italy	1	0.9	24	4.4	25	3.8	1.2	0.6	37.5	5.4	38.7	4.2
Luxembourg	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	9	7.9	11	2.0	20	3.0	18.3	8.5	17.3	2.5	35.6	3.9
Portugal	0	0.0	4	0.7	4	0.6	0.0	0.0	2.1	0.3	2.1	0.2
Spain	9	7.9	13	2.4	22	3.4	11.2	5.2	7.1	1.0	18.3	2.0
Sweden	2	1.8	4	0.7	6	0.9	0.7	0.3	8.4	1.2	9.1	1.0
U.K.	5	4.4	36	6.6	41	6.3	42.8	19.9	29.9	4.3	72.7	8.0
Total EU	31	27.2	161	29.7	192	29.3	80.2	37.3	236.1	33.8	316.2	34.6
Switzerland	0	0.0	14	2.6	14	2.1	0.0	0.0	42.0	6.0	42.0	4.6
Canada	19	16.7	18	3.3	37	5.6	14.3	6.7	45.7	6.5	60.0	6.6
Japan	22	19.3	122	22.5	144	22.0	64.4	30.0	321.6	46.0	386.0	42.3
All other	42	36.8	241	44.5	283	43.1	55.9	26.0	95.1	13.6	151.0	16.5
Grand Total	114	100.0	542	100.0	656	100.0	214.8	100.0	698.5	100.0	913.3	100.0

SOURCE: Office of the Comptroller of the Currency.
NOTES: Subsidiaries include separately capitalized banks at least 25 percent foreign owned. Assets of offshore branches managed or controlled by U.S. - based branches not included.