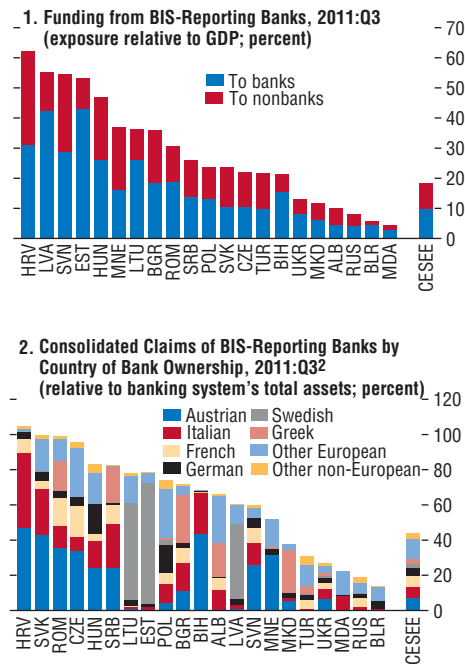


Figure 2.1.1. Eastern Europe: Financial Linkages with Western Europe¹



Sources: Bank for International Settlements (BIS) Locational and Consolidated Banking Statistics (Tables 6A, 6B, 9B); and IMF staff calculations.

¹ALB: Albania; BGR: Bulgaria; BLR: Belarus; BIH: Bosnia and Herzegovina; CESEE: Central, eastern, and southeastern Europe; CZE: Czech Republic; EST: Estonia; HRV: Croatia; HUN: Hungary; LTU: Lithuania; LVA: Latvia; MDA: Moldova; MKD: former Yugoslav Republic of Macedonia; MNE: Montenegro; POL: Poland; ROM: Romania; RUS: Russia; SRB: Serbia; SVK: Slovak Republic; SVN: Slovenia; TUR: Turkey; UKR: Ukraine.

²The bottom figure is constructed using BIS consolidated banking statistics, which show the stock of gross assets owned by BIS-reporting banks in each CESEE country. These assets may be funded domestically (for example, through domestic deposits), through parent banks, or through the international wholesale market. Although in many CESEE countries financial integration with western Europe is also visible through the high volume of funding from parent banks, in some other countries (for example, Czech Republic, Slovak Republic) domestic banking systems are mostly domestically financed even though they are owned mostly by western European banking groups.