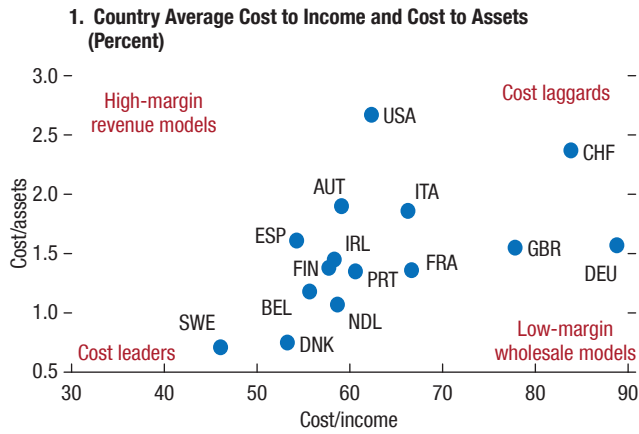
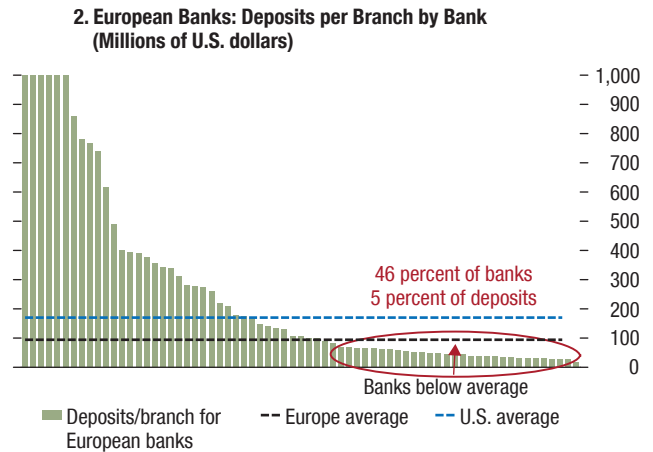


Figure 1.15. European and U.S. Banks—Operating Efficiency and Cost Rationalization

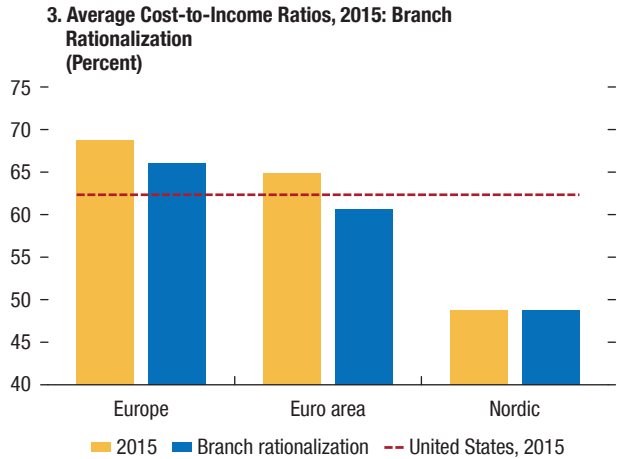
Appropriate cost structures vary by business model.



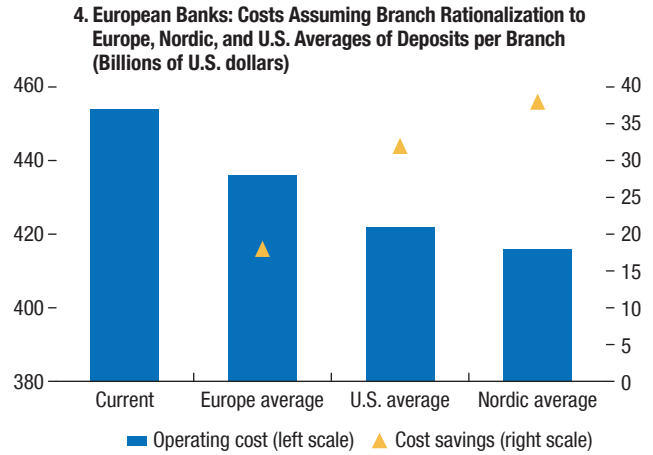
A long tail of inefficient branch networks ...



... keeps cost high relative to income ...



... providing scope for cost savings.



Sources: European Central Bank; Fitch Ratings; SNL Financial; and IMF staff estimates and analysis.

Note: Data labels in the figure use International Organization of Standardization (ISO) country codes. Nordic = Denmark, Finland, Norway, Sweden.