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The Share of Financial Intermediaries in National Wealth and Assets

To clarify the relationship between the assets and liabilities of financial intermediaries, on the one hand, and of national wealth or national aggregates of certain assets and liabilities, on the other, it is necessary to look at the balance sheets of economic units, individually and in groups, and at their combination or consolidation into a national balance sheet. This rather technical and drab task will be undertaken in the Appendix, which may be omitted by readers not interested in the social accounting methods underlying the estimates or in the technical problems they raise. However, they should read the following brief summary, which indicates why the characteristics of combination and consolidation of balance sheets of individual economic units on a group or national basis are relevant for evaluating the share of financial intermediaries in national wealth.

Summary of social accounting aspects

1. Total assets of financial intermediaries cannot be meaningfully compared with national wealth. Intermediaries' assets is a gross, unconsolidated concept influenced by the extent of layering in the economy; national wealth, a net, consolidated notion that eliminates all creditor-debtor and holder-issuer relationships among domestic units.[49] In order to find a meaningful magnitude

[49] The net worth of financial intermediaries can, of course, be validly compared with national wealth, but this is seldom a significant comparison, as it is an essential feature of financial intermediaries that their total assets are much in excess of their net worth.

with which to compare total assets of financial intermediaries, it is necessary to have comparable aggregative figures for total assets of nonfinancial business enterprises and of ultimates. In other words, the comparison presupposes a national balance sheet on essentially an unconsolidated basis.[50]

To what extent the results of comparisons on a consolidated and unconsolidated basis are likely to differ may be illustrated by a simplified example. Assume domestic tangible assets of 1,000; a net foreign balance in the form of claims of 100; aggregate domestic claims of 600; equity securities of 300; and total assets of financial intermediaries of 500, consisting of 400 claims, 70 equities, and 30 tangible assets. Then national wealth amounts to 1,100, while the unconsolidated total of either assets or of liabilities plus net worth (Items 84 or 94 of Appendix Table A-1) is as high as 2,000. Hence the share of financial intermediaries in national wealth, if such a relation were calculated, would be $\frac{500}{1100} =$ 45 per cent, while their share in unconsolidated national assets would amount to only $\frac{500}{2000} = 25$ per cent. Differences of this order are typical of those actually found in the United States.

2. Comparisons can validly be made between the amount of specific assets or liabilities held by financial intermediaries with the national total of the same assets or liabilities. Again using the example in the preceding paragraph, the share of financial intermediaries in claims would be $\frac{400}{700} = 57$ per cent; that in equities $\frac{70}{300} = 23$ per cent; and that in tangible assets $\frac{30}{1000} = 3$ per cent.

3. A consistent valuation basis for all balance sheet items is necessary, particularly for valuing the same types of assets in the balance sheets of the different units and groups. The problems arising here will be discussed briefly in the Appendix.

[50] Actually, combined national balance sheets are a combination of the balance sheets of all independent economic units, i.e. they use consolidated balance sheets for a parent corporation and its subsidiaries and affiliates, since the latter are not independent units. For the same reason the balance sheet for all Federal lending institutions is on a consolidated basis, such institutions being regarded as subsidiaries of the United States Treasury.

Basic relationships

In order to clarify the basic accounting and statistical relations involved, it will suffice to distinguish four groups of economic units; financial intermediaries, nonfinancial business enterprises, households, and governments which will be identified by the subscripts f, b, h, and g, while their total is indicated by n; to segregate six balance sheet items, total assets (A), tangible (real) assets (T), intangible (financial) assets (I) which include claims (C) and equities (E) – the latter term equal to net worth (W) – and net foreign assets (F) which may be positive or negative; and to designate the creditor or owner group by a right, and the debtor or issuer group by a left subscript.[51] We then have the following basic equations and relationships:[52]

$$(1)\quad T_n + F_n = T_f + T_b + T_h + T_g + F_f + F_b + F_h + F_g \qquad \text{(national wealth)}$$

$$= {}_fW + {}_bW + {}_hW + {}_gW$$

$$(2)\quad \begin{aligned} A_n &= A_f + A_b + A_h + A_g \qquad \text{(national assets)} \\ &= T_n + I_n + F_n \\ &= (T_f + I_f + F_f) + (T_b + I_b + F_b) + \\ &\quad\ (T_h + I_h + F_h) + (T_g + I_g + F_g) \\ &= ({}_fI + {}_fW) + ({}_bI + {}_bW) + ({}_hI + {}_hW) + ({}_gI + {}_gW) \end{aligned}$$

$$(3)\quad I_n = I_f + I_b + I_h + I_g \qquad \text{(national intangible assets)}$$

$$(4)\quad A_f = T_f + {}_fI_f + {}_bI_f + {}_hI_f + {}_gI_f + F_f \qquad \text{(assets of financial intermediaries)}$$

$$(5)\quad R_1 = \frac{T_f + F_f}{T_n + F_n} \qquad \text{(tangible asset share of financial intermediaries)}$$

$$(6)\quad R_2 = \frac{A_f}{A_n} \qquad \text{(national asset share of financial intermediaries)}$$

$$(7)\quad R_3 = \frac{I_f}{I_n} \qquad \text{(intangible asset share of financial intermediaries)}$$

[51] Where no subscript is indicated, n applies thus

$$I_f = {}_nI_f = {}_fI_f + {}_bI_f + {}_hI_f + {}_gI_f\,.$$

[52] These equations assume that the same item is carried at the same amount, i.e. the market value or an approximation to it, in the balance sheets of the creditor or debtor, or the holder and issuer. In that case no allowance is necessary for the surplus of nonprofit organizations.

(8) $$R_4 = \frac{({}_bI_f + {}_gI_f) - ({}_fI_b + {}_fI_g) + T_f + F_f}{T_n + F_n}$$

(adjusted national wealth share of financial intermediaries)

(9) $$R_5 = \frac{A_n}{T_n + F_n} - 1 = \frac{T_n + I_n + F_n}{T_n + F_n} - 1$$

(national financial interrelations ratio)

(10) $$R_6 = \frac{{}_fI_b + {}_fI_h + {}_fI_g}{A_b + A_h + A_g}$$

(share of placement in financial intermediaries)

(11) $$R_7 = \frac{{}_fC_b + {}_fC_h + {}_fC_g}{C_b + C_h + C_g}$$

(share of claims against financial intermediaries)

The usual ratio of the assets of financial intermediaries to national wealth $\frac{A_f}{T_n}$ is omitted from the list since it is of a hybrid nature, the numerator being not commensurable conceptually with the denominator. The equations and ratios can also be set up for subgroups within the four major groups of economic units and for individual assets and liabilities. As a matter of fact, the national asset share (Ratio R_2) has been used in the preceding section in the calculation of financial intermediaries' share in individual forms of assets and liabilities.

The national asset share (R_2) is the broadest measure of the relative importance of financial intermediaries in the economy. Its usability, however, is limited for some purposes by the fact that it depends on the ratio of intangible to tangible assets in the economy and thus does not provide a specific measure of the importance of financial intermediaries as owners or issuers of intangible assets. The intangible asset share (R_3) is not subject to this drawback, but is influenced by the size of claims, liabilities, and holdings among financial intermediaries.[53] If it is wanted to eliminate these, recourse must be had to ratios like R_4 or R_6 and R_7. The tangible asset share (R_1) is of little practical signifi-

[53] The larger these interfinancial assets and liabilities (e.g. interbank deposits; holdings of bank stock by investment companies), the higher R_3, other things being equal.

cance since only a minor part of the total assets of financial intermediaries consists of tangibles.

Ratio R_4 embodies the assumption that financial intermediaries can be regarded as associations of individuals. It therefore treats the ratio between their holdings of tangible assets plus their net claims against, and equities in, other economic groups (i.e. business, government, and foreigners) and national wealth as an indicator of the share of financial intermediaries in national wealth. Such a ratio is a complement to similarly calculated ratios for the other economic groups – in each case including in the numerator tangible assets held by the group and the net claim or liability (including equities held and issued) of the group against or to all other groups – ratios which together add to 100 per cent since the net claims of some groups are offset by the net liabilities of others.

Ratios R_6 and R_7 are intended to show the importance of financial intermediaries as outlets for funds of the other groups, a subject which will be briefly explored in the full study. They differ in that R_7 is limited to claims, while R_6 is more comprehensive, including both claims against financial intermediaries and shares of (and other equity participations in) financial intermediaries in the numerator of the ratio and using total assets of the creditor groups as the denominator.

The actual calculation of the various ratios, while in no case simple and always subject to a substantial margin of error because of the nature of the magnitudes involved, differs considerably in difficulty and reliability. Of the figures needed, total assets of financial intermediaries, and their subdivisions such as tangibles, claims and equities – i.e. the numerator of R_1 to R_3 – is generally the one easiest to obtain with a reasonable degree of accuracy. Difficulties and margins of error increase when it becomes necessary to split the claims and liabilities of financial intermediaries by debtor and creditor groups as is required in the numerator of ratios R_4, R_6 and R_7. Difficulties grow further when estimates have to be made of total assets and their subdivisions for other groups of economic units – needed as numerator in ratio R_5 and as denominators in all ratios except R_1 – because balance sheet data for them are, as a rule, much less plentiful and less reliable than for most types of financial intermediaries. It is, therefore, not astonishing that virtually the only ratio that has hitherto been calculated is the hybrid ratio of financial intermediaries' assets to national wealth, since it requires estimates only for aggregate assets of financial intermediaries and for aggregate tangible and net foreign assets. These difficulties will also explain why only three ratios – the national wealth share, the national asset share, and the liabilities' share of financial intermediaries – are presented here.[54]

Share in national wealth

In measuring the over-all significance of developments like the growth of financial intermediaries or of liquid assets, it is usual to compare them with national wealth.[55] It has already been argued earlier in this section that this comparison is not appropriate because national wealth emerges from the consolidated balance sheet of all economic units as the value of tangible assets (and net foreign balance) only, while concepts like the assets of financial intermediaries or liquid assets are taken from combined balance sheets and, hence, are on a gross basis rather than, as national wealth, on a net basis.[56] Comparison between the total assets of financial intermediaries and national wealth, even though inappropriate for determining the level of the ratio, may nevertheless provide an indication of trends in the ratio to the extent that it can be assumed that the national financial interrelations ratio (R_5), i.e. the ratio between national assets (the footings in

[54] In the full study, estimates will also be shown for R_4. That volume together with the materials in Volume III, Part I, of R. W. Goldsmith, *A Study of Saving in the United States* (Princeton University Press, 1954) will also make it possible to calculate R_3, R_5, and R_6.

[55] An example is provided by A. A. Berle and V. J. Pederson, *Liquid Assets and National Wealth* (Macmillan, 1934) Chap. V, e.g. p. 73.

[56] In the combination of balance sheets an exception is usually made to the extent that the statements of affiliated economic units, primarily parent and subsidiary corporations, are on a consolidated basis. This does not affect the basic principle that no item in the balance sheet of independent economic units is eliminated in the combined national balance sheet.

the combined balance sheet of all economic units) and national wealth (the footings in the consolidated balance sheet) remains unchanged.

The ratio of the assets of financial intermediaries to national wealth has increased steadily from 1900 to 1945 (see Table 22). The increase was slow up to the early twenties, the ratio having risen only from 21 per cent in 1900 to 28 per cent in 1922. From then on the rise has been very sharp for a quarter of a century. In the

TABLE 22

Share of Financial Intermediaries in National Wealth and Assets

	NATIONAL WEALTH *(or equity)*	NATIONAL ASSETS	SHARE OF FINANCIAL INTERMEDIARIES[a] *National Wealth*	*National Equity*	*National Assets*	*Intangible Assets*
	(billions of dollars)		*(per cent)*			
	(1)	(2)	(3)	(4)	(5)	(6)
1900	$88	$160	21	10	11	24
1912	165	310	24	12	13	26
1922	334	650	28	14	15	29
1929	439	980	35	17	16	28
1933	330	730	40	21	18	32
1939	396	880	49	24	22	39
1945	571	1,560	66	37	24	38
1949	898	2,020	48	28	21	38

[a] Covers financial intermediaries included in Table 1. The inclusion of the additional two groups shown in Table 2 would raise the figures only slightly — generally by one percentage point for all benchmark dates except 1929 when the percentage shares would go up 2 to 3 points under the broader definition.

Column

1 R. W. Goldsmith, *A Study of Saving in the United States* (Princeton University Press), Vol. III. (For an earlier slightly different version of the estimates, see Conference of Research in Income and Wealth, *Studies in Income and Wealth, Volume Fourteen* [National Bureau of Economic Research, 1951], p. 18.) Figures exclude military durables.

2 Preliminary estimates; figures and derivation will be shown in R. W. Goldsmith, *op. cit.*, Vol. III, Part I.

3,5 Total assets of financial intermediaries (Table 1) divided by columns 1 and 2, respectively.

4 Tangible assets of financial intermediaries and net claims against business and government (approximated from Table 7, liabilities — sum of lines 1, 2, 5, 7, and 8 — minus assets — lines 6, 7, 10, and part of 5) divided by column 1, above.

6 Intangible assets of financial intermediaries (Table 7, line 12 minus line 9) divided by difference between columns 2 and 1.

seven years between 1922 and 1929 the ratio of financial intermediaries' assets to national wealth increased from 28 to 35 per cent. It continued to rise at about the same speed during the next decade, reaching 49 per cent in 1939. The sharp further increase during World War II up to a peak of 66 per cent in 1945 proved to be temporary. By 1949 the ratio has reverted to 48 per cent, virtually the same as ten years earlier.[57] The increase in the ratio up to 1945 reflects a higher rate of growth of the assets of financial intermediaries than of national wealth, or as during the Great Depression, a smaller decrease. Between 1900 and 1949 national wealth only increased a little more than tenfold, while the assets of financial intermediaries grew more than twenty-three times.

These figures obviously do not mean that financial intermediaries owned nearly one-fourth of the national wealth in 1900 and one-half now if national wealth is understood in the sense of tangible assets. It has already been shown in Section 3 that only a few per cent of all tangible assets were directly owned by financial intermediaries. Nor do the ratios mean that financial intermediaries in 1949 had claim to or control of one-half of all assets in the country. That proportion, as will be seen in the next section, was considerably lower. Nor do the figures measure other economically significant relations between the assets of financial intermediaries, on one hand, and a comparable national total, on the other. These ratios are nothing but an arithmetic relation between a numerator and a denominator which are not commensurable. While they are easier to calculate than more appropriate ratios, and probably are more familiar, their use should be avoided if the other ratios are available.

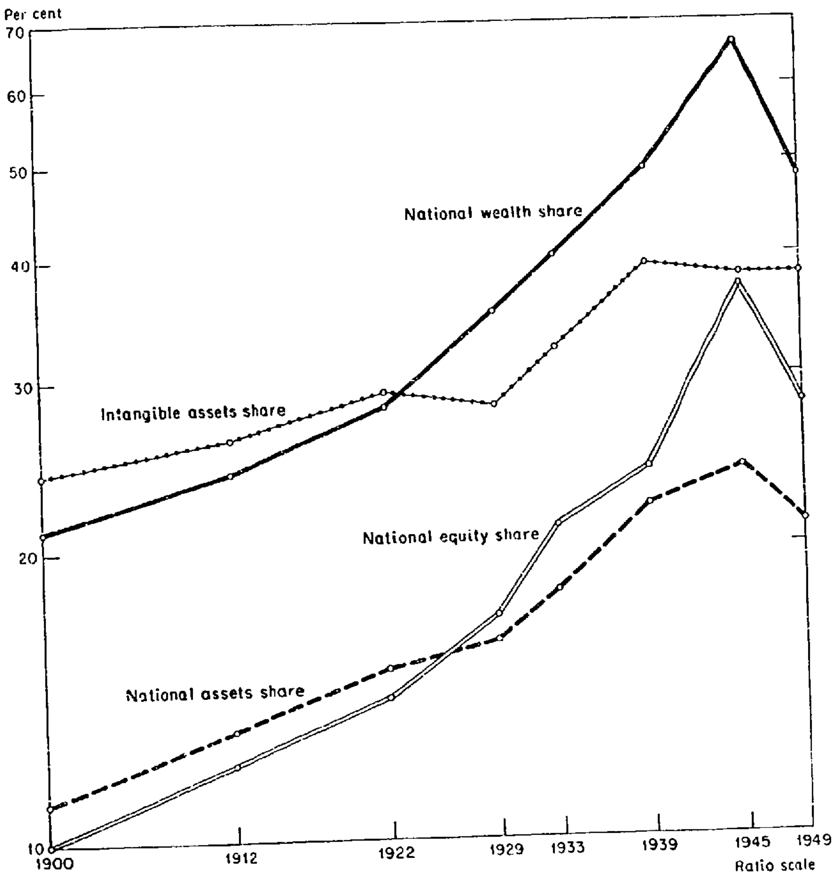
The ratio of financial intermediaries' net claims against business

[57] These ratios disregard the fact that the assets of financial intermediaries are based on book values for all fixed interest-bearing securities and for some stocks, while the assets of national wealth in principle reflect current values. An adjustment of the assets of financial intermediaries to a consistent current value basis would, as a rule, affect the ratios but little and is not likely to influence the trend at all. It is only in 1933 that such an adjustment would lead to a noticeable reduction in the value of financial intermediaries' assets and, hence, in the ratio. But even such an adjustment would not interrupt the upward trend of the ratio. It would only reduce the rise during the Great Depression, which is shown in Table 22, and would increase the rise during the remainder of the thirties.

(including agriculture and unincorporated business enterprises) and government to national equity (R_4) has moved parallel to the national wealth ratio, though on a considerably lower level. It rose continuously between 1900 and 1945 from one-tenth to almost two-fifths and fell back sharply to one-fourth in 1949. To evaluate level and movements of this ratio, one would need parallel ratios for individuals, business, and government which are not yet available. Because of the nature of the ratio, the pro-

CHART 7

Share of Financial Intermediaries in National Wealth and Assets



nounced increase in the ratio for financial intermediaries must have been offset by decreases in the ratio of some or all of the other groups. There is little doubt that this offset has been provided primarily by the government (particularly between 1912 and 1922 and between 1939 and 1945) and secondarily by business (particularly between 1922 and 1929). (See Chart 7.)

Share in national assets

The comparison between the total assets of financial intermediaries and total national assets, i.e. the footings in the combined balance sheet of all independent economic units (affiliated corporations being treated on a consolidated basis if wholly or almost wholly owned), is the parallel to the comparisons of holdings of a given asset by financial intermediaries and total outstanding of the asset, which have been presented in Section 3. The ratio of the assets of financial intermediaries to total national assets, therefore, is the most comprehensive measure of the position of financial intermediaries in the national economy and in a sense summarizes the main results of this report.

It is well to recall that both total national assets and the assets of financial intermediaries are gross concepts, i.e. the two measures do not eliminate creditor-debtor or owner-issuer relationships between independent economic units, although they do eliminate such relationships between corporate affiliates. Hence the insertion of additional institutions in the chain leading from tangible assets to their ultimate owners (either individuals or government and private collectives) results in an increase in national assets, even though the real value of national wealth remains unchanged. Total national assets also increase without any rise in current or real national wealth if one group of units borrows from another group for consumptive purposes (i.e. without a counterpart to the debt appearing on the asset side of the borrower's balance sheet), particularly if the government borrows to finance military expenditures.

These two factors have over the last fifty years led to a more rapid increase in national assets than in national wealth, irrespective of whether both measures are expressed in current or deflated prices. As a result the ratio of national assets to national wealth has increased as comparison of columns 1 and 2 of Table 22 shows. At the turn of the century, total national assets exceeded national wealth by about four-fifths. The ratio increased fairly continuously during the next three decades with the result that in 1929 national assets were somewhat more than twice as large as national wealth. The ratio continued at that level until the late thirties. It shot up to 2¾ at the end of World War II but by 1949 had fallen back to about 2¼. The lack of net change in this ratio over a decade which witnessed far-reaching changes in financial structure was the result of two offsetting tendencies. One of these, increasing the ratio, was the large-scale borrowing by the federal government to finance World War II. The other, decreasing the ratio, was the repayment of private debt during the war and the sharp increase in the prices of tangible assets after the war which reduced the ratio of prewar debt to assets.

Since the ratio of national assets to national wealth has been considerably above unity throughout the last fifty years and has shown an increasing trend, one would expect the ratio of financial intermediaries' assets to national assets to be considerably lower than their share in national wealth, discussed in the last section, and to increase less rapidly. Both deductions are borne out by the actual ratios shown in Table 22.

In 1900 financial intermediaries accounted for approximately 11 per cent of total national assets. The ratio increased slowly to 15 per cent in the early twenties. By 1929 it had risen to approximately 16 per cent and by 1933 to 18 per cent. The increase accelerated during the thirties and continued, though at a slower pace, during World War II. As a result the assets of financial intermediaries in 1945 were equal to almost 25 per cent of total national assets. In the four years following, the ratio fell back rather sharply to 21 per cent. In other words, at the present time the combined assets of all financial intermediaries are equal to about one-fifth of the combined assets of all independent economic units within the country and to about one-fourth of all units other than financial intermediaries. These ratios are much more appropriate for use in characterizing the relative importance of financial intermediaries in the economic structure of the country than the much higher ratios of financial intermediaries' assets to national wealth.

All three main groups of financial intermediaries have participated in the increase of the share of financial intermediaries in total national assets, though to a different degree and at different times. The assets of the banking system accounted for approximately 8 per cent of total national assets at all benchmark dates between 1900 and 1929 but increased to approximately 11 per cent in 1949, most of the increase taking place during the thirties and World War II. Indeed, the ratio declined not inconsiderably after 1945, when it reached a peak of 14 per cent. The share of insurance organizations in total national assets, on the other hand, increased almost continuously over the last fifty years. It started with only 1 per cent in 1900; rose rather slowly to 3 per cent in 1929; but then accelerated its relative growth until it reached a share of 6 per cent in 1949. The 5 point increase over the last fifty years was about equally divided between private and government insurance organizations. Since government insurance started its rapid growth only in the thirties it accounted, however, for most of the increase in the share of all insurance organizations in total national assets between 1933 and 1949. The share of other financial intermediaries in total national assets rose from 2 per cent in 1900 to 5 per cent in 1929, reflecting rapid growth in the assets administered by personal trust departments and assets of savings and loan associations and the advent of investment companies and land banks. They were, however, unable to increase their share further during the last twenty years or even to maintain it, the result primarily of a relatively slow growth of the assets of personal trust funds.

Grouping financial intermediaries differently, we find that the share of private intermediaries rose from 11 per cent of total national assets in 1900 and 15 per cent in 1929 to about 16 per cent in 1949. Public intermediaries, on the other hand, had been of negligible importance in 1900 and even in 1929 accounted for only about 1 per cent of total national assets – represented primarily by the assets of the Federal Reserve System – but their share increased to 5 per cent in 1949, most of the rise accounted for by the Federal Reserve System and by federal, state, and local insurance funds.

A second proportion is also of considerable interest: the ratio of the total assets of financial intermediaries, practically all of which consist of intangibles, to all intangible assets within the nation. The ratio remained at around 30 per cent until 1929 but increased fairly sharply during the last twenty years, notwithstanding a slight relapse during World War II, reaching approximately 38 per cent in 1949. The rise in the share of financial intermediaries between 1900 and 1930 in total national assets, and also in national wealth, is thus due mainly to an increase in the ratio of intangibles to tangibles in the American economy. This movement in turn reflects (1) the increasing complexity of financial interrelations evidenced in a lengthening at many points of the chain between ultimate savers and ultimate investors and (2) the sharp increase in the volume of government debt incurred during World War I and not matched by an increase in assets. During these thirty years the growth of financial intermediaries only kept pace with, and of course was partly responsible for, the expansion in the country's intangible asset overlay. In the last two decades, on the other hand, the intangible assets of financial intermediaries have grown much faster – except during World War II – than those held by other sectors of the economy. This is primarily due to the very slow increase of those assets held by other sectors which do not represent claims against financial intermediaries. The small increase in these types of assets, in turn, reflects primarily the absence of any substantial increase between 1929 and 1949 in the value of the holdings of corporate stocks and bonds by households and the relatively slow growth of receivables and payables among nonfinancial business enterprises and of mortgages held by households. The continued and even accelerated increase in the share of financial intermediaries in national assets over the last two decades is thus due not, as it was from 1900 to 1930, to a rise in the ratio of intangibles to tangibles for the economy as a whole, but to a shift in the distribution of the holdings of intangible assets between financial intermediaries, on the one hand, and all other sectors of the economy, on the other.

Bearing upon financing capital formation

Can any conclusions be drawn from the level or the trend in the share of financial intermediaries in total national assets or wealth, or in any specific type of assets and liabilities, as to their share in financing capital formation, i.e. expenditures on new reproducible durable assets? The answer to this seemingly obvious and simple question turns out to be negative and rather complicated both for conceptual and statistical reasons, though the discussion is much simplified here.

The main reason for this is the impossibility of establishing a correspondence between a change in assets of financial intermediaries and the acquisition of specific new durables. Even when funds flow directly from financial intermediaries to ultimate investors, it is as a rule impossible to identify the specific use to which such funds have been put because they are necessarily mingled with other funds available to the investor from internal sources (such as retained earnings and earned capital consumption allowances) or from external sources (such as borrowings or sales of own equity securities). When the flow is indirect – as for instance when financial intermediaries buy outstanding securities and the seller uses the proceeds to supply funds to investors – it is still less feasible to identify changes in assets of financial intermediaries with the acquisition of specific new durable assets. It is thus impossible to say what part of the funds made available by financial intermediaries during any one year in the form of an increase in loans or security holdings was used to enable investors to acquire new durable assets, i.e. what part financed capital formation, and what part was used for other purposes, particularly the financing of intangible asset acquisitions or of an excess of current expenditures over current income (e.g. if Treasury securities issued to finance a deficit are purchased). Still less is it possible to deduce from a statement of the assets held by financial intermediaries at any one moment the cumulative net amounts made available by them up to that moment for the acquisition of specific types of durable assets.

The second, though much less important, reason why it is impossible to use the available data on the assets of financial intermediaries to measure their contribution to capital formation is that we do not even know the actual amount of funds made available by financial intermediaries to each of the other sectors of the economy. All that we usually have are changes in the balance sheet value of holdings between two dates. These changes are not identical with the net flow of funds between financial intermediaries and other sectors because of the existence of realized gains and losses and revaluations of assets, although the differences usually are not substantial.

There is, however, one sense in which a relationship can be established between funds supplied by financial intermediaries and financing of the other sectors of the economy. That is the determination of the share of financial intermediaries in the total supply of funds to individual economic units or groups of them. Calculation of this share requires a full sources-and-uses-of-funds statement for these units or groups. The ratio between funds supplied by financial intermediaries and all sources of funds which can be calculated from such a statement is of considerable help in studying the importance of financial intermediaries in financing the different types of economic units that make capital expenditures. It indicates what proportion of the total funds used by different groups of economic units during a given period came from financial intermediaries, either on a gross or net basis; and it also shows whether significant changes over time have occurred in the sources of funds of the various sectors of the economy. The calculation of these figures calls primarily for balance sheets, income accounts, and supplementary data for the different economic groups and cannot be based on statistics of financial intermediaries. Their presentation and discussion is therefore regarded as falling beyond the scope of this report. Such figures, however, are relevant for an evaluation of the role of financial intermediaries in the economy and will consequently be investigated in the full study.