Appropriate cost structures vary by business model.

1. Country Average Cost to Income and Cost to Assets (Percent)

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.