



# FINANCIAL SERVICES SECTOR SURVEY

Report April 2015

Survey conducted by GfK – On behalf of the Directorate General for Economic and Financial Affairs (DG ECFIN)

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# 1 Introduction

Since April 2011, GfK Belgium has been commissioned by DG ECFIN to perform an EU-wide monthly business survey in the financial services sector. The survey is carried out on a monthly basis among senior managers of companies active in the NACE subsectors 64, 65 and 66.

The survey is part of the Joint Harmonised EU Programme of Business and Consumer Surveys (BCS) which is managed by DG ECFIN. The programme covers most sectors of the economies of the Member States of the EU and candidate countries, and provides essential information for economic surveillance, short-term forecasting and economic research

The aim of this report is to describe the survey design and methodology and the work carried out between April 2014 and March 2015.

## 2 Survey Design and Methodology

### 2.1 Universe Definition

#### 2.1.1 Target universe definition

The target universe of this study is defined as “senior managers working in companies with more than 10 employees, belonging to subsectors 64, 65, and 66 of the Classification of Economic Activities in the European Community, NACE Rev.2, with the exception of subsector 64.3”. This definition was agreed by DG ECFIN in April 2011 and has not changed since then.

The exact definitions of the three subsectors are as follows:

- Subsector 64: Financial service activities, except insurance and pension funding (e.g. monetary intermediation; activities of holding companies; trusts, funds and similar financial entities; financial leasing; other credit granting)
- Subsector 65: Insurance, reinsurance and pension funding, except compulsory social security (e.g. insurance; life insurance; non-life insurance; reinsurance; pension funding)
- Subsector 66: Activities auxiliary to financial services and insurance activities (e.g. administration of financial markets; security and commodity contracts brokerage; activities auxiliary to insurance and pension funding; risk and damage evaluation; activities of insurance agents and brokers; fund management activities)

#### 2.1.2 Target Universe Description

Although the universe definition appears quite straightforward, the number of companies included in the defined universe, as provided by different information sources, differs dramatically. An in-depth analysis was made in the first year GfK Belgium PS was running this survey.

An analysis of different information sources showed that the comparison between different databases and sources covering the NACE subsectors 64, 65, and 66 gives no clear view on the total universe of these three subsectors. It was agreed by DG ECFIN to use the database figures of Dun & Bradstreet as a description of the target universe.

The estimated coverage per market as given by Dun & Bradstreet is about 90% of all companies active in the specific subsectors. This level of coverage should be largely sufficient for the purpose of this survey in terms of representativeness. It can be expected that since these subsectors are largely

populated with (very) small companies, the missing coverage is most likely to be among small companies.

### 2.1.3 Coverage and Representativeness

As agreed by DG ECFIN, the survey focuses on the following 11 EU countries:

- Austria
- Czech Republic
- Germany
- Spain
- France
- Italy
- Luxembourg
- The Netherlands
- Poland
- Sweden
- UK

These countries represent 88% of Gross Value Added in the financial sector in the EU<sup>1</sup>. This proportion is sufficiently large to give representative results for the EA and the EU as a whole.

Table 1 gives an overview of the target universe of the 11 countries split by subsector and company size.

**Table 1: Universe FINA (source D&B2013) - all companies excluding trusts (NACE 64.3)**

	10_49	50_250	250+	Total	total %
<b>NACE 64</b>	24404	10985	4600	39989	<b>73,1%</b>
<b>NACE 65</b>	2839	1206	819	4864	<b>8,9%</b>
<b>NACE 66</b>	7886	1527	454	9867	<b>18,0%</b>
<b>Total</b>	35129	13718	5873	54720	<b>100,0%</b>
<b>total %</b>	<b>64,2%</b>	<b>25,1%</b>	<b>10,7%</b>	<b>100,0%</b>	

## 2.2 Sample

### 2.2.1 Sample Design and Size

The target monthly sample size, as defined by DG ECFIN, is 500 completed questionnaires per month.

In line with the recommendations of both the OECD and the User Guide of the BCS programme, a stratified random sample is used in the survey.

Stratification is done at two levels:

- At the level of the type of economic activity, three strata are used, one per NACE2 code (i.e. 64, 65,

<sup>1</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/national\\_accounts/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database)

66)

- At the level of the company size, three strata are also used: 10-49, 50-249 and 250+ employees.

This means that a 3x3 matrix is compiled for each country, composed of nine strata according to which a random sample is drawn. In order to minimise sampling error, it was decided to draw a disproportionate sample taking into account the relative size (and hence importance) of companies in their respective subsector. The logic behind this reasoning is that by over-sampling strata where the dependent variable of interest exerts a relatively high error variance, one can optimise the sample design and obtain more reliable results.

Disproportionate sampling is performed through an equal distribution of the total sample over the different strata.

A disproportionate stratified sample design is appropriate because:

- The number of large companies is small as a proportion of all companies, but they are very important in terms of their added-value and overall effect on the economy. They may only represent 10% of the total *number* of companies but their share of the total *turnover* or *added-value* of the subsector can be considerably larger.
- In many cases, the proportion of large companies (=the absolute number of large companies of the total defined 'universe') is so small that when drawing a proportional sample, the sample of the large companies would be too small to derive reliable conclusions from a statistical point of view. Oversampling larger companies allows the analysis of results according to size of business, and guarantees a sufficient base for analysis within each stratum.
- Equal sampling by NACE code also allows to conduct analyses by NACE (whereas in a proportionate sampling, the sample base would be too small for at least one NACE code)

However, some issues did arise when defining the sampling plan for this study.

1. Firstly, in some countries the target universe for some strata is limited. In these cases, a regrouping of strata was needed to reach a sufficient level of potential respondents. This regrouping was done in the first instance at company size level.
2. Secondly, following discussions with DG ECFIN in January 2012, it was decided to slightly amend the sample design in April 2012. Given that subsector 64 is the most important subsector in the financial services sector, not only in terms of size but also in the type of business, it was decided to put emphasis on sampling in this subsector. A higher sampling in subsector 64 would be expected to have a positive impact on the representativeness of the results.

As a consequence we can no longer speak of a fully disproportionate sample. The sample still stays disproportionate, given that attention is paid that subsectors 65 and 66 are sufficiently represented in the sample.

Following the discussion with DG ECFIN of January 2013, the sampling plan was adjusted once more, in order to increase a larger group of panel members in the 5 largest countries (UK, France, Germany, Italy and Spain). This seems to be a necessary condition in order to guarantee a sufficient response and consequently number of completes for these countries. This measure was implemented during the new recruitment wave of April 2013 – and further supplemented by the three recruitment waves carried out since then – in order to increase the panel size in these five largest countries.

### **2.2.2 Sample Recruitment**

The OECD and the User Guide of the BCS programme advise the use of a fixed panel for business tendency surveys. This recommendation is followed in this survey. Using a fixed panel has evident benefits concerning reduced sample variance and higher accuracy in measuring trends in the market place.

For each country, a panel of (senior) managers of companies in the NACE2 subsectors 64, 65, 66 is set up. Panel members are recruited in two phases. Firstly, potential panel members are contacted through computer assisted telephone interviewing (CATI). Using a short telephone screening questionnaire, their eligibility for the survey is checked and their willingness to participate is confirmed.

If the person contacted fulfils the requirements and is willing to participate, an e-mail is sent in the second 'confirmation' phase. By answering the short questionnaire accessible through a link in the e-mail, the person officially subscribes to the panel.

A dedicated website for this study is set up to provide (potential) panel members with more information on the study. If persons contacted by telephone would first prefer to have additional information before deciding to join, they are sent a link to this website, together with a letter of recommendation from DG ECFIN.

In principle, panel members are senior level managers in their companies. However, during the telephone interviews the appropriate person for the panel in each company is identified. This could be lower level managers, senior managers or even board members. Persons are selected following a screening on the required profile.

Panel members that ask to be unsubscribed, or those who do not answer the survey over a period of 6 months, are replaced in the panel.

### **2.2.3 Panel Constitution**

Table 2 gives an overview of the panel constitution for each month in the period April 2014 - March 2015. The initial recruitment for the panel took place in April 2011. Experience shows that a half-yearly recruitment is necessary to replace those panel members that chose to leave the panel or automatically unsubscribed after six months of non-participation. This means that two new recruitment waves were performed in Year 3 – in April 2014 and October 2014. For those new panellists recruited in October 2014, they were added to the panel at the beginning of December 2014.

**Table 2: Overview of the panel constitution**

<b>2014-2015</b>	<b>Total</b>	<b>Sector 64</b>	<b>Sector 65</b>	<b>Sector 66</b>
<b>April</b>	<b>985</b>	539	205	241
<b>May</b>	<b>1178</b>	623	211	344
<b>June</b>	<b>1127</b>	600	199	328
<b>July</b>	<b>1092</b>	580	190	322
<b>August</b>	<b>1058</b>	570	181	307
<b>September</b>	<b>1039</b>	563	176	300
<b>October</b>	<b>1012</b>	551	168	293
<b>November</b>	<b>816</b>	448	138	230
<b>December</b>	<b>1056</b>	556	210	290
<b>January</b>	<b>1023</b>	537	207	279
<b>February</b>	<b>1006</b>	527	204	275
<b>March</b>	<b>978</b>	513	198	267

Between April 2014 and March 2015, the financial services sector survey counted a total of 1121 panel members that actively participated or at least started once the survey. 22% of those panel members participated only once. 57% participated in at least 6 months, of which 25% participated in all 12 months.

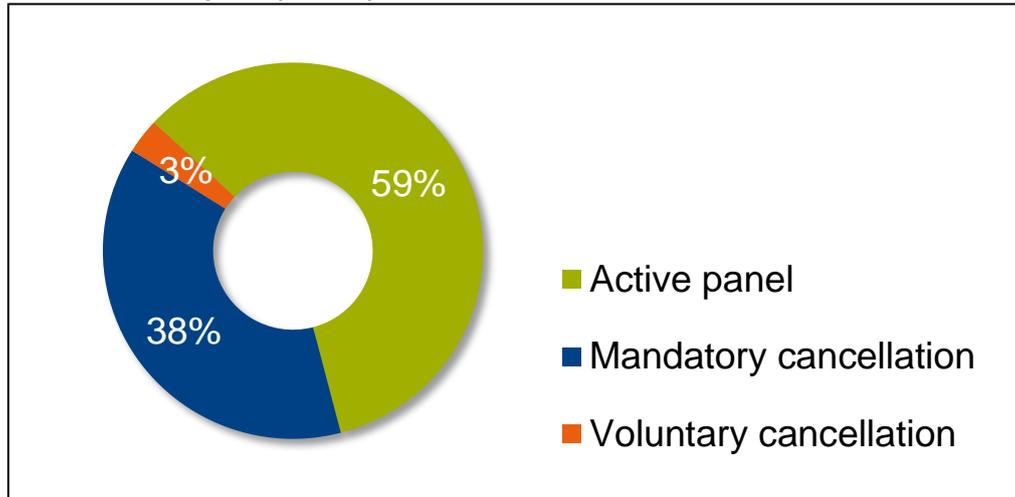
In line with findings of previous analyses of the panel, voluntary cancellation of subscription remains very limited. In the period April 2014 - March 2015, 52 people, or 3% of the total panel, voluntarily left the panel, which means they asked to be unsubscribed from the panel.

Besides this group of people that asked to be unsubscribed, another considerable group of panel members were inactive for longer parts of the period. As a rule, inactive members are replaced after 6 months of inactivity. A total of 658 panel members were unsubscribed from the panel in the period April 2014 – March 2015 following this rule. The majority of these cancellations of subscription were in April/May and October/November 2014, due to new recruits from October 2013 and April 2014 not participating despite their agreement to be part of the panel<sup>2</sup>. Figure 1 gives an overview of the number of active members, voluntary and mandatory cancellations of subscriptions.

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<sup>2</sup> The exact month of cancellation is in these cases dependent on the exact date the newly recruited panel members were uploaded in our panel management system.

Figure 1: Overview of the panel (N=1731)



Experience shows that a half-yearly recruitment is necessary to replace panel members that actively left the panel or are dormant (i.e. inactive for a longer period). In April and October 2014, a half-yearly recruitment wave was undertaken. In April 2014, 394 new panel members were recruited. In October 2014, 309 additional panel members were added.

As mentioned above in section 2.2.1, some adjustments were made in the sampling plan of year 1, placing more emphasis on NACE subsector 64. The recruitment in April 2012 was the first recruitment wave which implemented this new sampling plan. The October 2012 wave focused mainly on new recruitments in NACE 64 and the largest countries, i.e. France, UK, Germany, and Poland. The April 2013 and October 2013 recruitment waves focused especially on the largest five countries, as described in section 2.2.1.

Although NACE subsector 64 is the largest of the three subsectors included in this study, recruitment was difficult in the majority of countries. During previous recruitment waves, recruitment was easiest in this subsector. By increasing the required sample size, this situation has changed. In those countries where the target for the NACE 64 group could not be reached, extra recruits were made in the other groups.

For current and future recruitment waves, GfK uses Dunn & Bradstreet sample, supplemented by national business registers. The quality of data can vary between the different registers for each country and in some cases more local business registers could provide additional addresses in each subsector. At the start of the study in April 2011 a comparative study between different registers showed that D&B was the most appropriate to use. The option to use additional registers is chosen to complement the address list for those countries where the current recruitment is more difficult.

### 2.3 Questionnaire

The questionnaire has been unchanged since the start of the survey in April 2011.

The questionnaire is composed of two parts: (1) a set of five monthly recurrent questions; and (2) an additional set of 10 questions asked on a quarterly basis (i.e. asked in January, April, July, and October). The questionnaires are translated into the local languages in order to guarantee a low-level entrance point for potential panel members.

### **2.3.1 Monthly questionnaire**

The monthly questionnaire consists of the following five questions:

1. How has your business situation developed over the past 3 months?
2. How has demand (turnover) for your company's services changed over the past 3 months?
3. How do you expect the demand (turnover) for your company's services to change over the next 3 months?
4. How has your firm's total employment changed over the past 3 months?
5. How do you expect your firm's total employment to change over the next 3 months?

No changes were made to the monthly questionnaire in comparison to the previous waves of the financial services sector survey.

### **2.3.2 Quarterly questionnaire**

The quarterly questionnaire consists of the following 10 questions.

1. How has your operating income developed over the last 3 months?
2. How do you expect your operating income to develop over the next 3 months?
3. How have your operating expenses developed over the last 3 months?
4. How do you expect your operating expenses to develop over the next 3 months?
5. How has the profitability of your company developed over the last 3 months?
6. How do you expect the profitability of your company to develop over the next 3 months?
7. How has your capital expenditure developed over the last 3 months?
8. How do you expect your capital expenditure to develop over the next 3 months?
9. How has the competitive position of your company developed over the past 3 months?
  - a) *Total*
  - b) *In your country*
  - c) *Within the EA*
  - d) *Within the EU*
  - e) *Outside the EU*
10. How do you expect the competitive position of your company to develop over the next 3 months?
  - a) *Total*
  - b) *In your country*
  - c) *Within the EA*
  - d) *Within the EU*
  - e) *Outside the EU*

## **2.4 Response Rates and Reliability of the Results**

### **2.4.1 Analysis of response rates broken down by subsector**

Table 3 and Figure 2 give an overview of the monthly response rate per subsector since April 2014.

Response rates vary between 52% and 70% from April 2014 to March 2015, which reflects a good response rate for a business survey. The response rate has improved slightly in comparison to year 1. This panel study started in April 2011 and the increase in response rate shows that a loyal panel has been built up through this period. The fact that the subscription of panel members that are not active for a period of 6 months is cancelled has a positive impact on the response rate.

When analysing the response rate per subsector, as shown in Figure 2, there is a tendency for response rates to be highest in the recruitment months – when new recruits are included as completes but have not yet been added to the panel. In contrast, August 2014 brought the lowest response rate for all three NACE subsectors, as the summer vacation period impacted on the availability of our panellists. Response rates varied from 55% to 73% for NACE 64, 50% to 69% for NACE 65 and 48% to 68% for NACE 66. Therefore, it can be seen that response rates were generally higher for NACE 64 than for the other two subsectors.

The number of completed interviews per subsector is relatively stable over the total period April 2014 - March 2015 and largely proportional to the universe figures. NACE 65 is in this respect over-represented, but this is as foreseen in the sampling plan in order to guarantee a sufficient number of responses in this subsector.

**Table 3: Overview response per subsector**

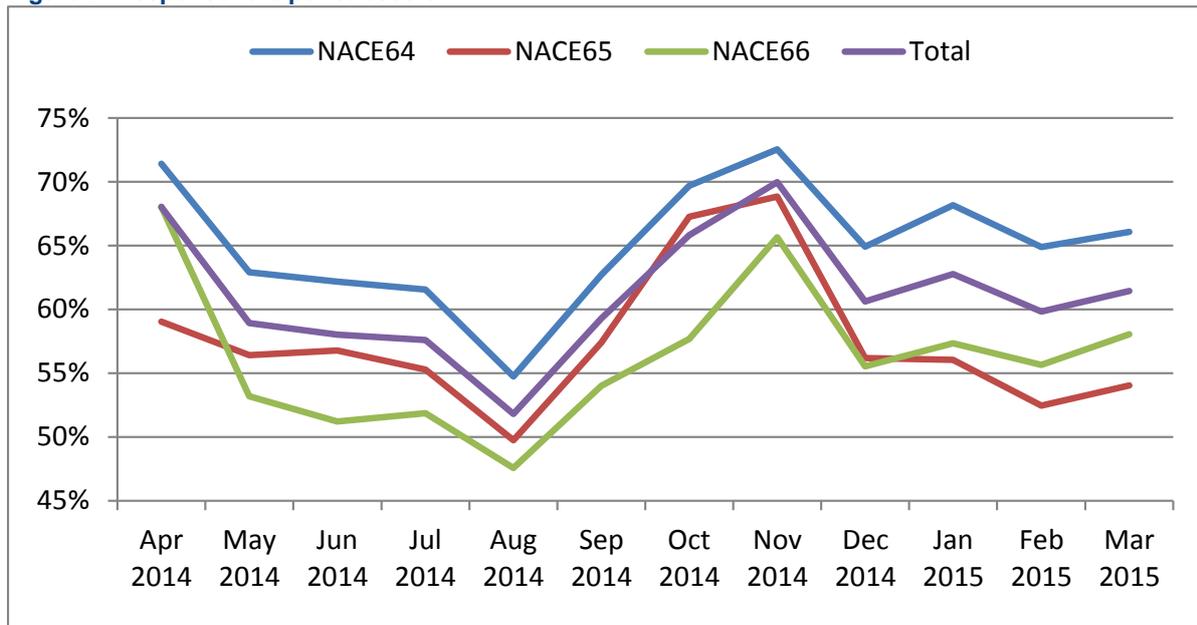
subsector	universe	April 2014		May 2014		June 2014	
		panel	completes	panel	completes	panel	completes
<b>NACE 64</b>	39989	539	385	623	392	600	373
<b>NACE 65</b>	4864	205	121	211	119	199	113
<b>NACE 66</b>	9867	241	164	344	183	328	168
<b>Total</b>	<b>54720</b>	<b>985</b>	<b>670</b>	<b>1178</b>	<b>694</b>	<b>1127</b>	<b>654</b>

subsector	universe	July 2014		August 2014		September 2014	
		panel	completes	panel	completes	panel	completes
<b>NACE 64</b>	39989	580	357	570	312	563	353
<b>NACE 65</b>	4864	190	105	181	90	176	101
<b>NACE 66</b>	9867	322	167	307	146	300	162
<b>Total</b>	<b>54720</b>	<b>1092</b>	<b>629</b>	<b>1058</b>	<b>548</b>	<b>1039</b>	<b>616</b>

subsector	universe	October 2014		November 2014		December 2014	
		panel	completes	panel	completes	panel	completes
<b>NACE 64</b>	39989	551	384	448	325	556	361
<b>NACE 65</b>	4864	168	113	138	95	210	118
<b>NACE 66</b>	9867	293	169	230	151	290	161
<b>Total</b>	<b>54720</b>	<b>1012</b>	<b>666</b>	<b>816</b>	<b>571</b>	<b>1056</b>	<b>640</b>

subsector	universe	January 2015		February 2015		March 2015	
		panel	completes	panel	completes	panel	completes
<b>NACE 64</b>	39989	537	366	527	342	513	339
<b>NACE 65</b>	4864	207	116	204	107	198	107
<b>NACE 66</b>	9867	279	160	275	153	267	155
<b>Total</b>	<b>54720</b>	<b>1023</b>	<b>642</b>	<b>1006</b>	<b>602</b>	<b>978</b>	<b>601</b>

Figure 2: Response rate per subsector



#### 2.4.2 Analysis of response rates broken down by size classes

Table 4 and

Figure 3 give an overview of the monthly response rate per size class since April 2013.

When analysing the response rate per company size category, response rates varied from 53% to 70% for small companies, 49% to 73% for medium-sized companies and 52% to 70% for large companies. Therefore, there initially appears to be relatively little difference in response rate according to size class. When looking at this in more detail in

Figure 3, however, it can be seen that there is a slight trend for medium-sized companies to have a higher response rate and large companies to have a lower response rate.

**Table 4 : Overview response per size class**

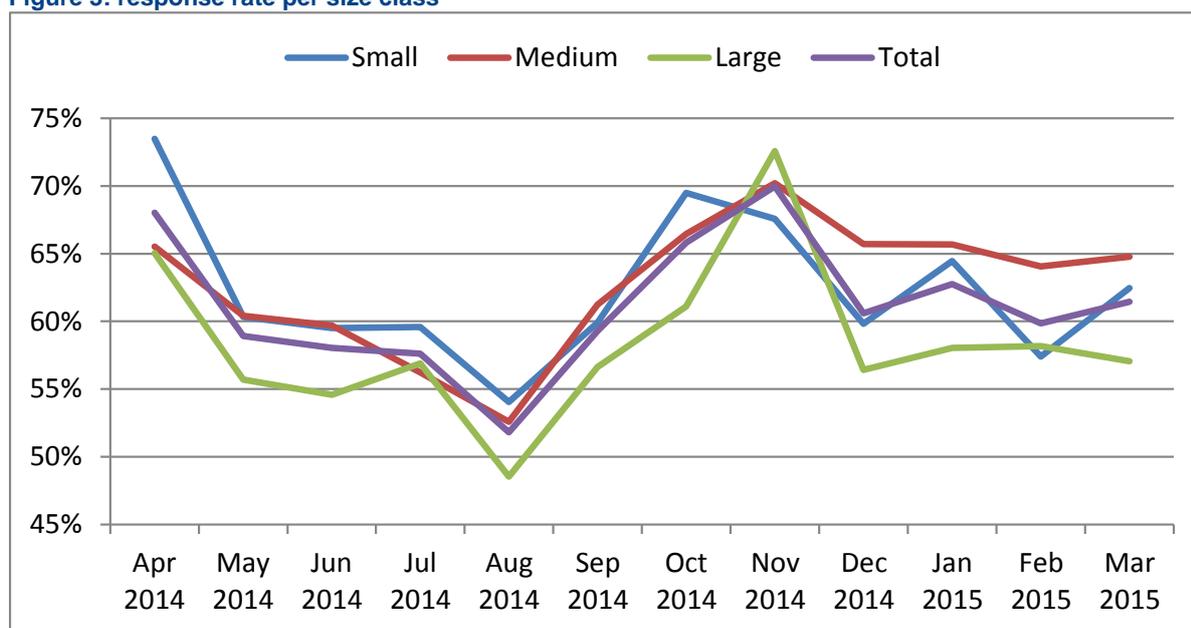
		April 2014		May 2014		June 2014	
size class	universe	panel	completes	panel	completes	panel	completes
Small	35129	328	241	411	248	395	235
Medium	13718	348	228	399	241	382	228
Large	5873	309	201	368	205	350	191
<b>Total</b>	<b>54720</b>	<b>985</b>	<b>670</b>	<b>1178</b>	<b>694</b>	<b>1127</b>	<b>654</b>

		July 2014		August 2014		September 2014	
size class	universe	panel	completes	panel	completes	panel	completes
Small	35129	381	227	370	200	364	218
Medium	13718	370	208	348	183	343	210
Large	5873	341	194	340	165	332	188
<b>Total</b>	<b>54720</b>	<b>1092</b>	<b>629</b>	<b>1058</b>	<b>548</b>	<b>1039</b>	<b>616</b>

		October 2014		November 2014		December 2014	
size class	universe	panel	completes	panel	completes	panel	completes
Small	35129	354	246	296	200	361	216
Medium	13718	334	222	272	191	344	226
Large	5873	324	198	248	180	351	198
<b>Total</b>	<b>54720</b>	<b>1012</b>	<b>666</b>	<b>816</b>	<b>571</b>	<b>1056</b>	<b>640</b>

		January 2015		February 2015		March 2015	
size class	universe	panel	completes	panel	completes	panel	completes
Small	35129	349	225	345	198	341	213
Medium	13718	338	222	331	212	318	206
Large	5873	336	195	330	192	319	182
<b>Total</b>	<b>54720</b>	<b>1023</b>	<b>642</b>	<b>1006</b>	<b>602</b>	<b>978</b>	<b>601</b>

Figure 3: response rate per size class



## 2.5 Weighting and Calculation of Aggregates

### 2.5.1 Size Weights

Following the recommendations described in the User Guide of the BCS programme, individual respondent results are weighted, reflecting the probability of the selection of units in the different strata. Given the fact that the sample is constructed as a two-level stratified random sample, weighting coefficients are calculated for each firm based on the two strata:

11. **Sector of Activity:** the number of companies belonging to subsector 64, 65, and 66 of NACE rev.2.
12. **Size of company:** this is based on the number of employees. Companies are divided into three groups – small size (10-49); medium size (50-250); and large size (250+).

The weighting scheme aims at improving the comparability of the survey responses and reference series rather than focusing on the predisposition larger companies are better at predicting future business tendencies.

### 2.5.2 Aggregation

In accordance with the instructions of the BCS programme, EU and EA aggregate replies to the questionnaires are calculated as weighted averages for the country-aggregate replies. The Gross Value Added (GVA) in the financial sector is used as the basis for calculating EU and EA aggregates, and is smoothed by calculating a two-year moving average. The size and subsector of companies are taken into account in the calculation of the EU, EA and subsector aggregates.

Up until January 2013, calculations were based on the data of 2004-2005, since these were the most recent data available on Eurostat website for all countries included in the survey. Since January 2013 the data have been updated on the Eurostat website, allowing the use of 2010-2011 data. The data of the GVA in the total financial sector are used and not the data per sector, since these last are not

available for all countries. A reweighting of all data since April 2011 was performed and the new data were provided to DG ECFIN in January 2013.<sup>3</sup>

Table 5 gives an overview of the figures of the GVA in the financial sector, used for the calculation of the weights<sup>4</sup>.

**Table 5: GVA in the financial sector**

	2010-2011 (million €)	EU	EA
<b>EU</b>	539.811,5	100,00%	
<b>EA</b>	375.018,3		100,00%
<b>Czech Republic</b>	4.674,9	0,87%	
<b>Germany</b>	114.492,0	21,21%	30,53%
<b>Spain</b>	44.759,3	8,29%	11,94%
<b>France</b>	72.795,4	13,49%	19,41%
<b>Italy</b>	78.463,7	14,54%	20,92%
<b>Luxembourg</b>	7.947,9	1,47%	2,12%
<b>Netherlands</b>	41.026,5	7,60%	10,94%
<b>Austria</b>	15.533,6	2,88%	4,14%
<b>Poland</b>	11.691,0	2,17%	
<b>Sweden</b>	13.549,7	2,51%	
<b>United Kingdom</b>	134.877,8	24,99%	

<sup>3</sup> It must be noted that although we mention size weights and aggregation as two separate weightings, in practice, these are combined. GfK Belgium PS uses quantum software to calculate weighting factors.

<sup>4</sup> Source : [http://epp.eurostat.ec.europa.eu/portal/page/portal/national\\_accounts/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/database)

### 3 Survey results

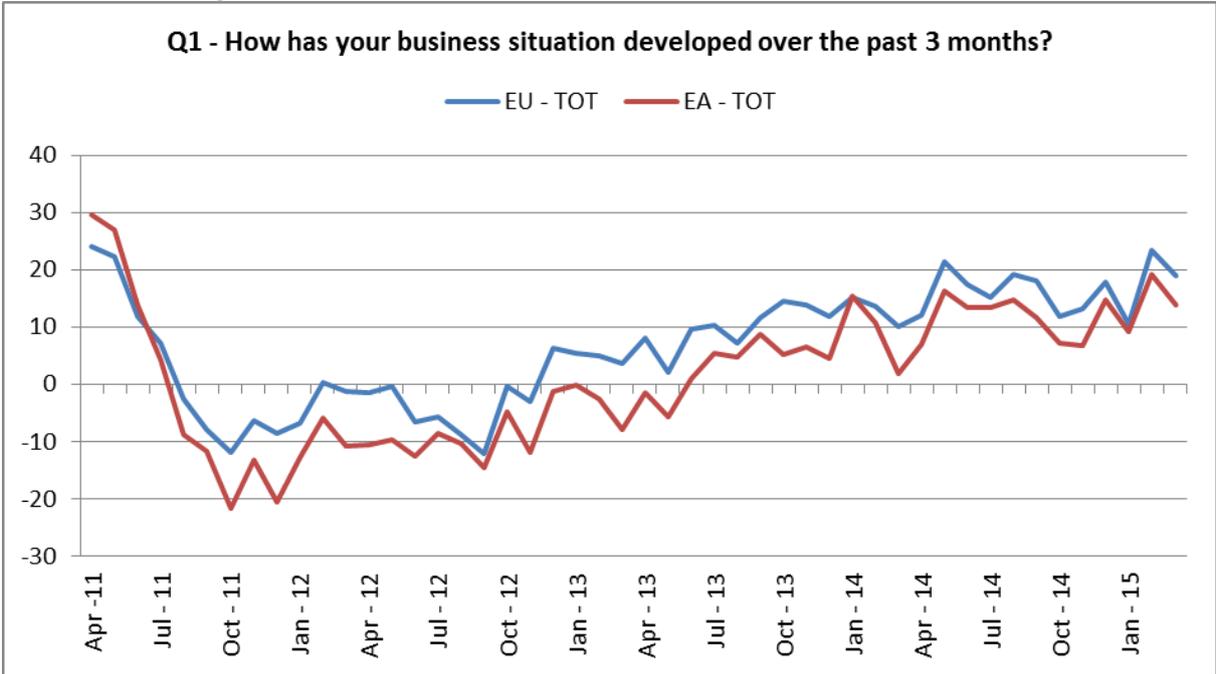
#### 3.1 Monthly Survey Results

##### 3.1.1 Business situation

The evaluation of the development of the business situation at EU level fluctuated slightly over the course of the past year, from a low of +11 to a high of +23. Results were at their highest in February 2015 (+23) and May 2014 (+21) and lowest in January 2015 (+11).

The results for the EA largely follow a similar trend, though with generally lower scores than the EU level results. EA-level scores fluctuated between +7 (in April, October and November 2014) and +19 (February 2015).

Figure 4



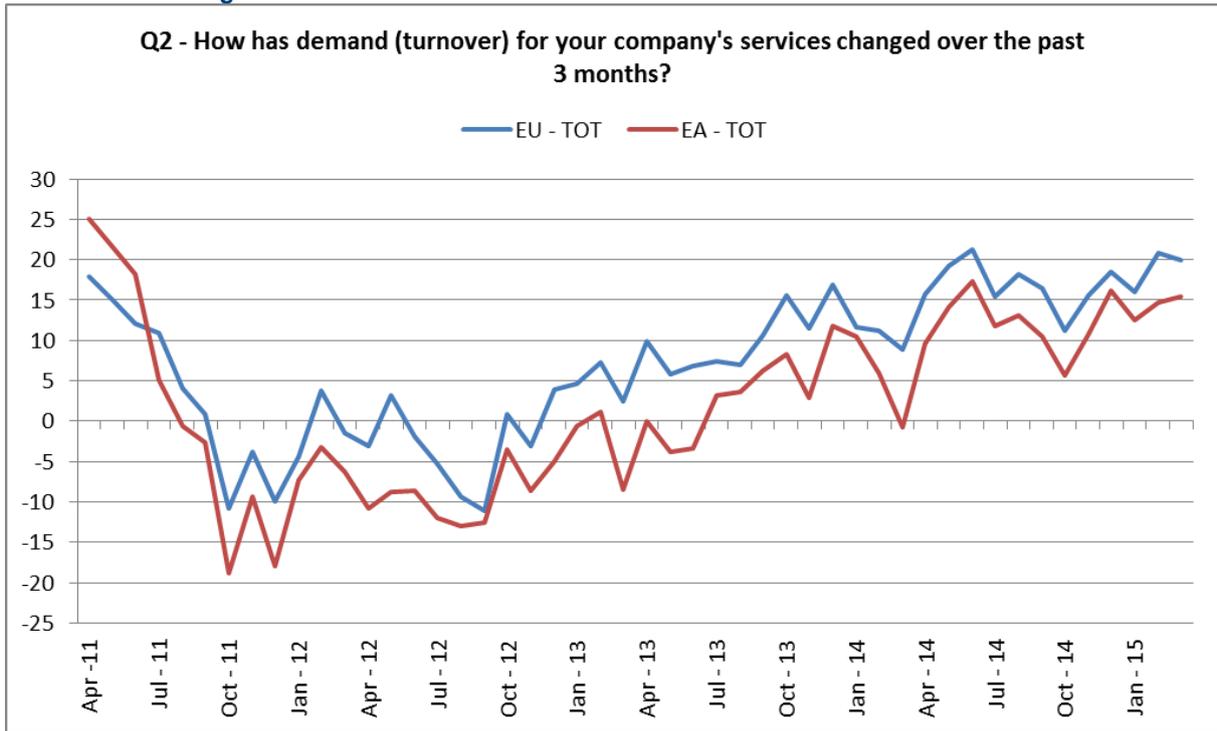
##### 3.1.2 Demand

The survey gauges the demand for the company's services via two questions. One question asks about the evolution in demand over the past 3 months. The second question examines the expectations of change in demand in the upcoming 3 months.

##### *Demand over the past 3 months*

Figure 5 shows the results of the evolution of demand in the financial services sector over the past 3 months. At EU-level, demand was relatively stable in 2014/15, though the most notable trend is that it fell from +18 in August 2014 to +11 in October 2014, but it then recovered to +18 again by December 2014 and then maintained this higher performance level in the following three months. The results for the EA-level show a similar trend across the year as the EU-level (i.e. a dip in October 2014 followed by a recovery), albeit it a few points lower than the EU score.

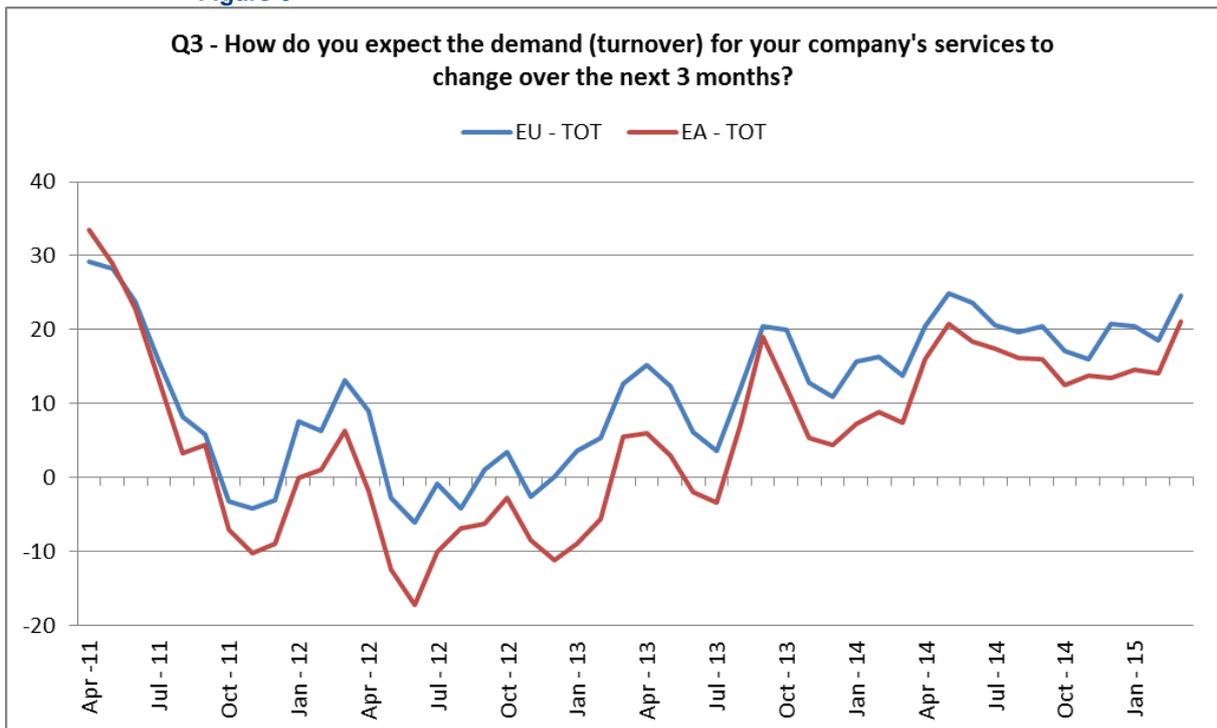
Figure 5



**Demand in the next 3 months**

Figure 6 gives an overview of the results of the question on the expectations of change in demand for the next 3 months. Expectation of demand at EU-level increased by 4 points in May 2014, but then declined by 9 points over the following 6 months, though it has since had notable score increases in December 2014 and March 2015. EA-level scores are generally slightly lower than at EU-level, with a gradual decline in scores also noted between May and October 2014.

Figure 6

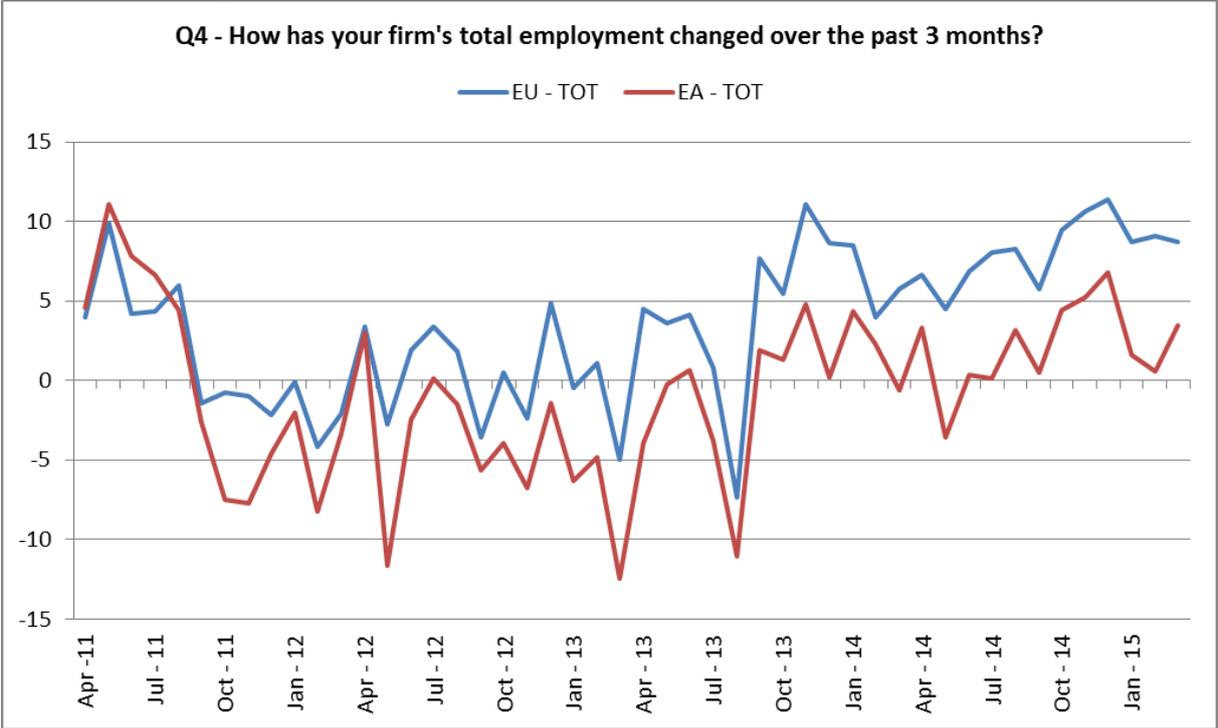


### 3.1.3 Employment in the financial sector

#### Employment in the past 3 months

Figure 7 gives an overview of the question on how the firm's total employment changed over the past 3 months. The EU-level scores are rather stable over the year, ranging from +4 in May 2014 to +11 in November and December 2014. EA-level scores were somewhat lower, even dipping briefly into minus values in May 2014 (-4) and peaking at +7 in December 2014.

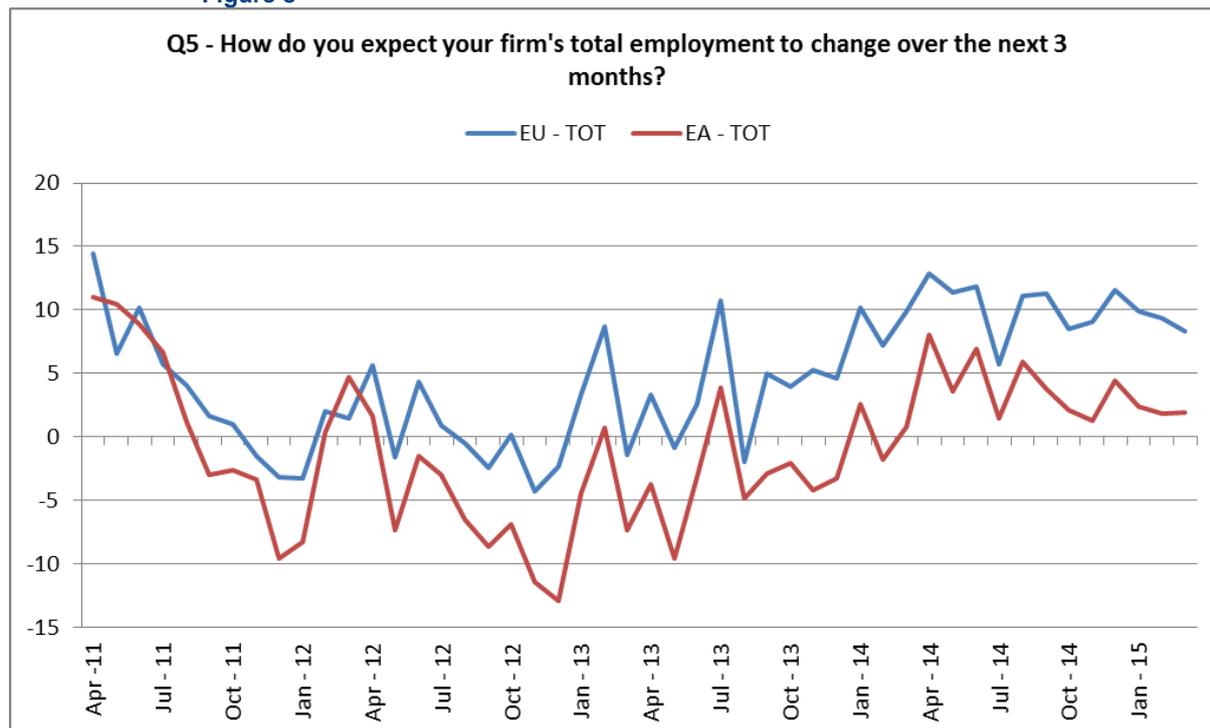
Figure 7



#### Employment in the next 3 months

Expected changes in employment in the upcoming 3 months are relatively stable in the financial sector for most of the year. EU-level scores have a slightly drop to +6 in July 2014, but otherwise stay close to a +10 average score. EA scores are similarly stable, though have slightly lower results in general compared to the EU results.

Figure 8



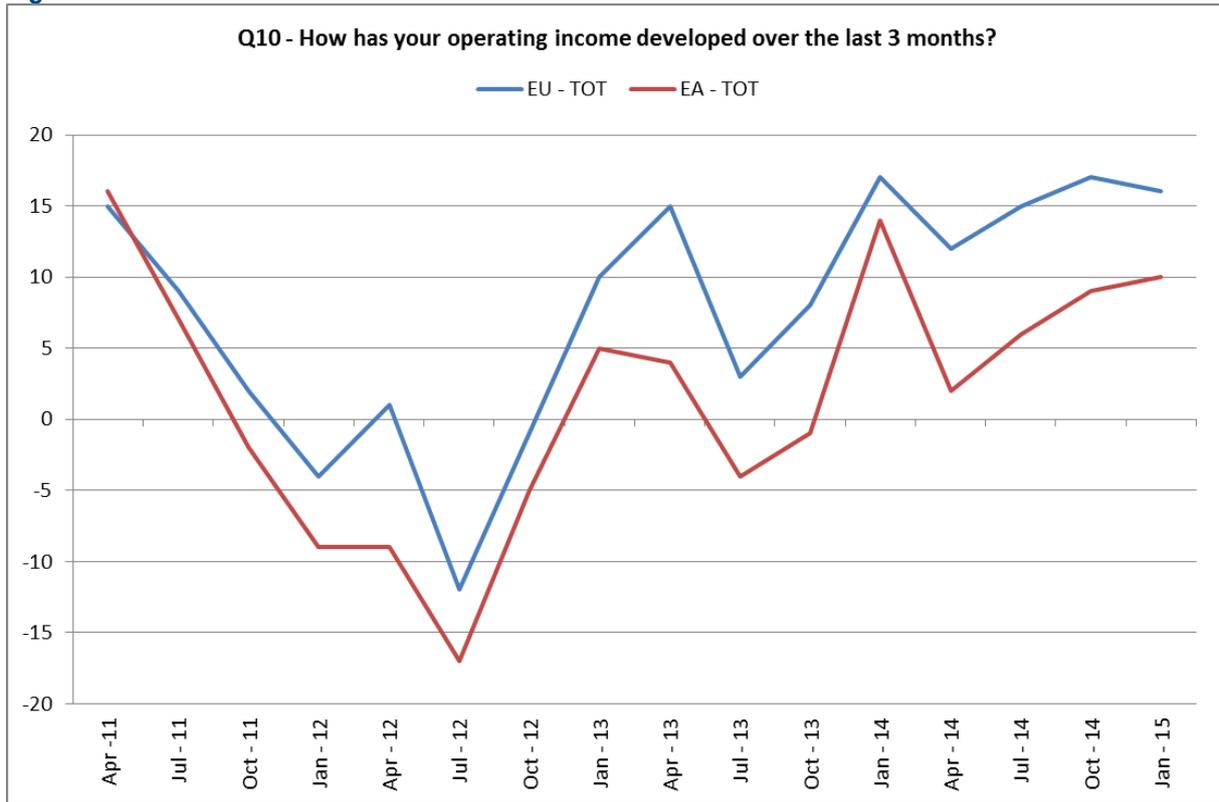
### 3.2 Quarterly Survey Results

Every three months (January, April, July, October and January), a quarterly set of questions is asked to the panel respondents in addition to the monthly questions. These are questions concerning the operating income, operating expenses, profitability, capital expenditure, and competitive position of their company. A short overview of the results of these quarterly questions follows below.

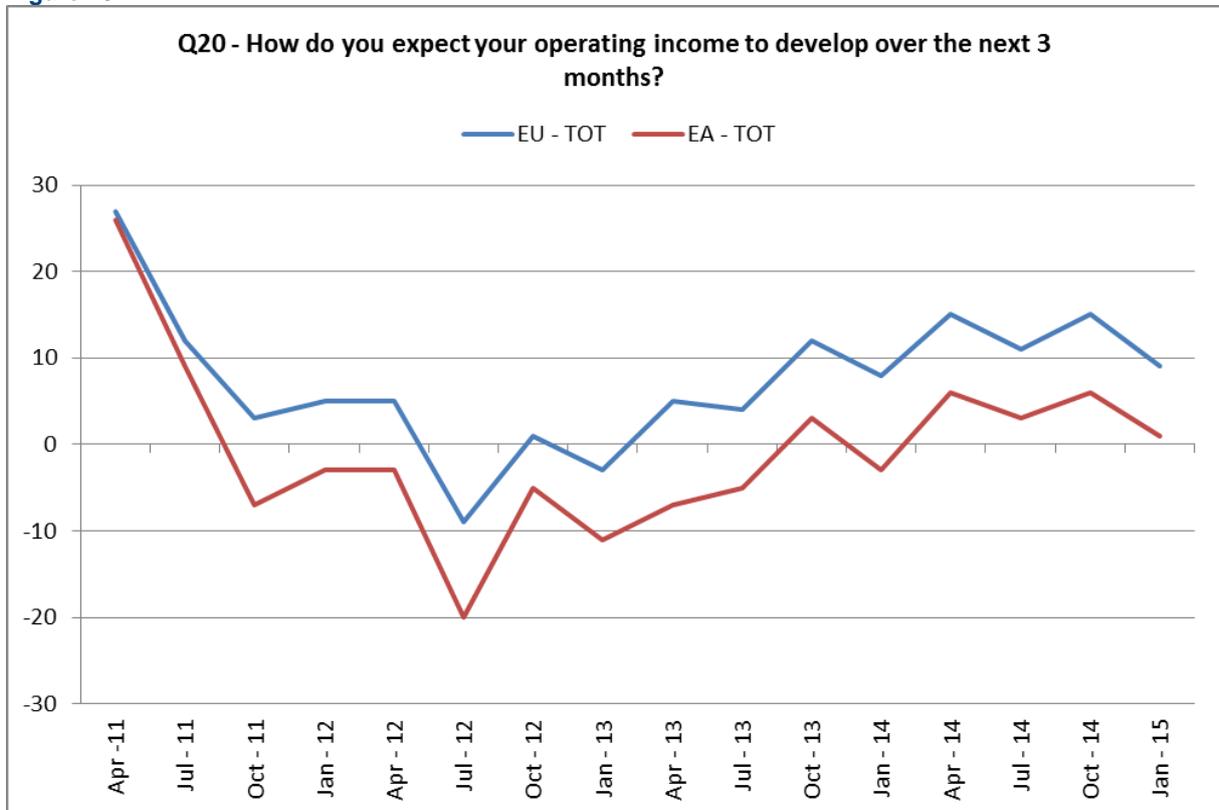
#### 3.2.1 Operating income

The balance between positive and negative developments in operating income is lower in April 2014 than in the other three months for respondents at EU-level and EA-level. Expectations of operating income over the next 3 months (Figure 10) are higher in April and October 2014 than in July 2014 and January 2015.

**Figure 9**



**Figure 10**



### 3.2.2 Operating expenses

Developments in on operating expenses are more or less stable between April and October 2014 at EU and EA-level, and then increase in January 2015. Expectations of operating expenses are relatively stable at EU and EA-level across all four quarterly waves from the past year, with the EU score always being a few points higher than the EA score.

Figure 11

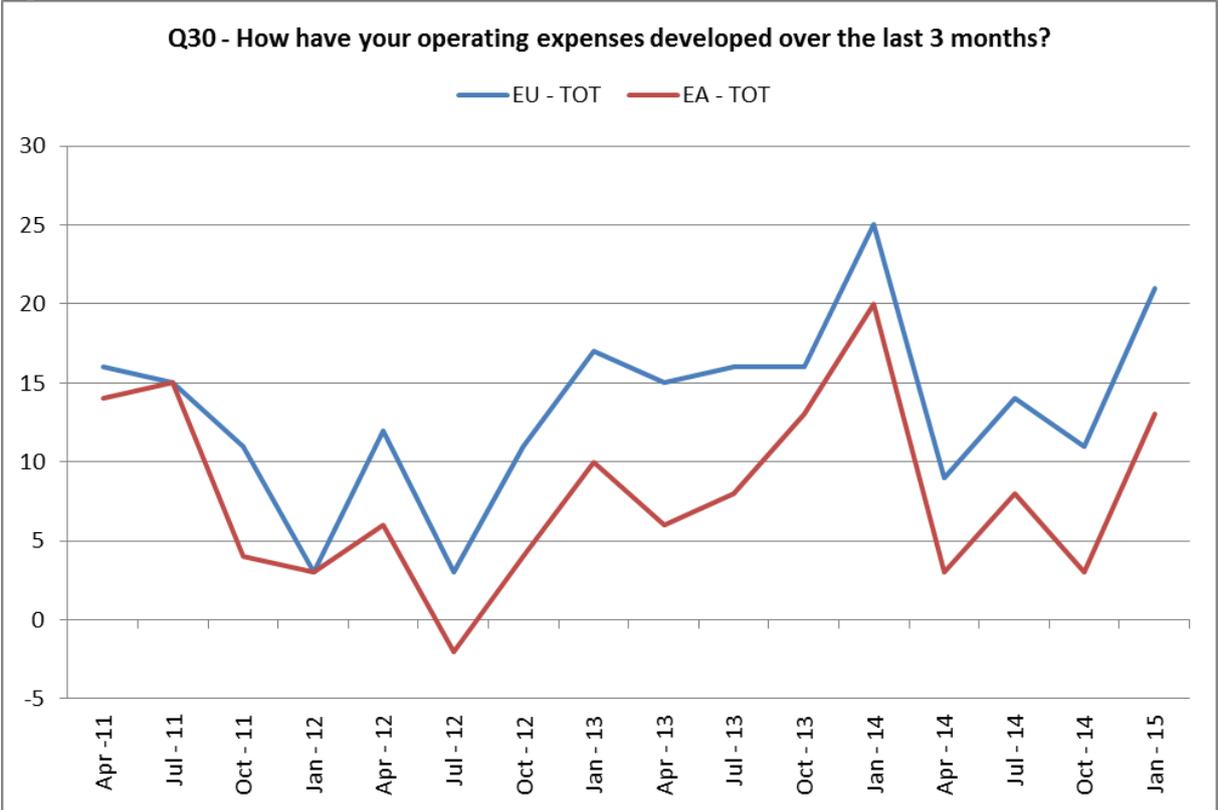
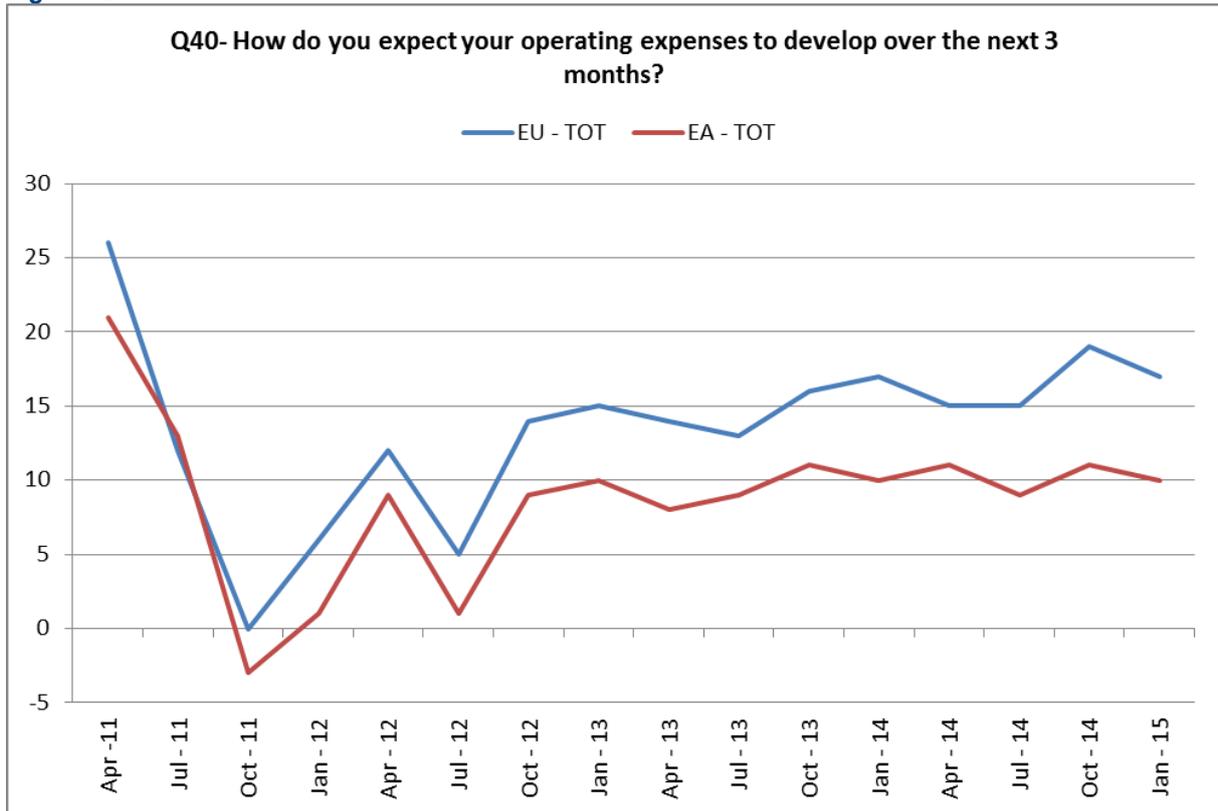


Figure 12



### 3.2.3 Profitability

At total EU level, profitability generally remained unchanged for about half of respondents across the past four waves, though the score balance is highest in October 2014 and lowest in July 2014. EA level scores are somewhat lower, with a -1 score balance in July 2014 and January 2015.

Figure 14 shows the results for expectations of profitability (over the next 3 months). The score experiences a gradual decline at EA-level (from +6 in April 2014 to -1 in January 2015).

Figure 13

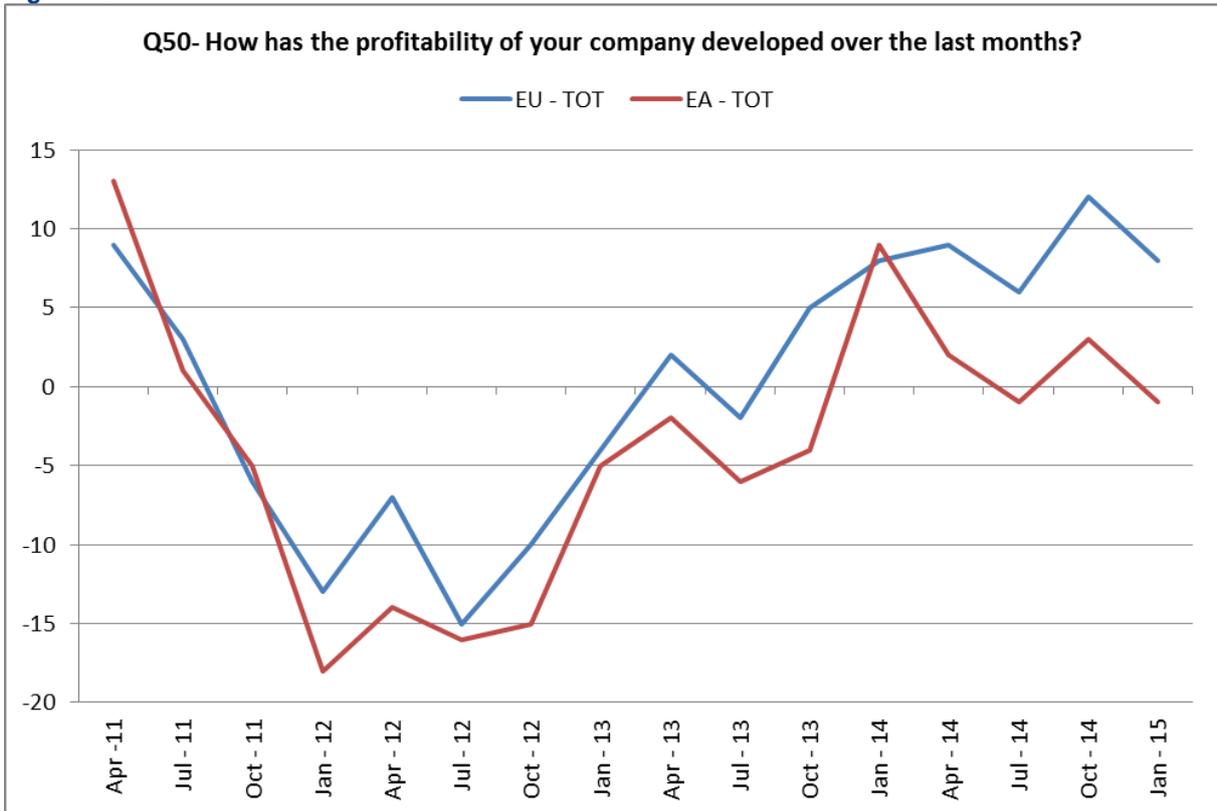
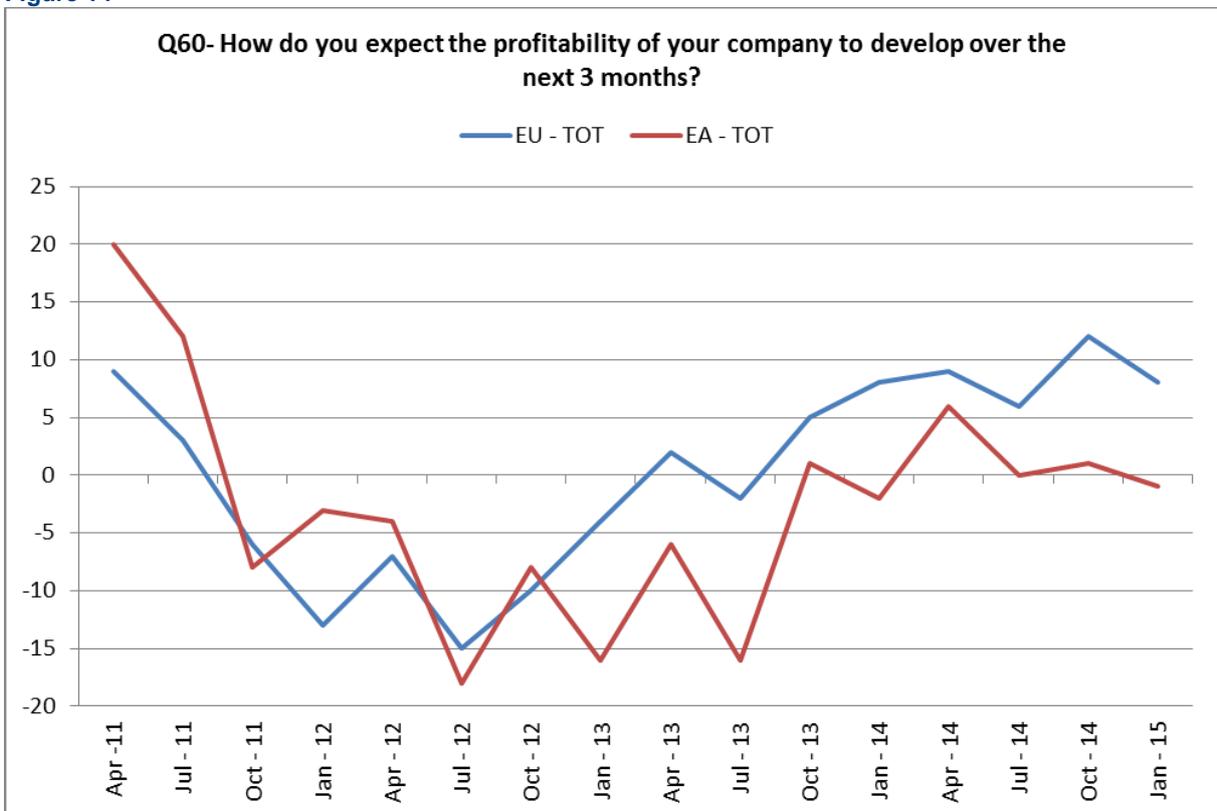


Figure 14



### 3.2.4 Capital expenditure

Capital expenditure remains largely stable in all four waves (Figure 15), especially in the EA-area.

The balance of scores for expectations on capital expenditure is rather more changeable, with EU level scores ranging from +15 in October 2014 to +3 in January 2015.

Figure 15

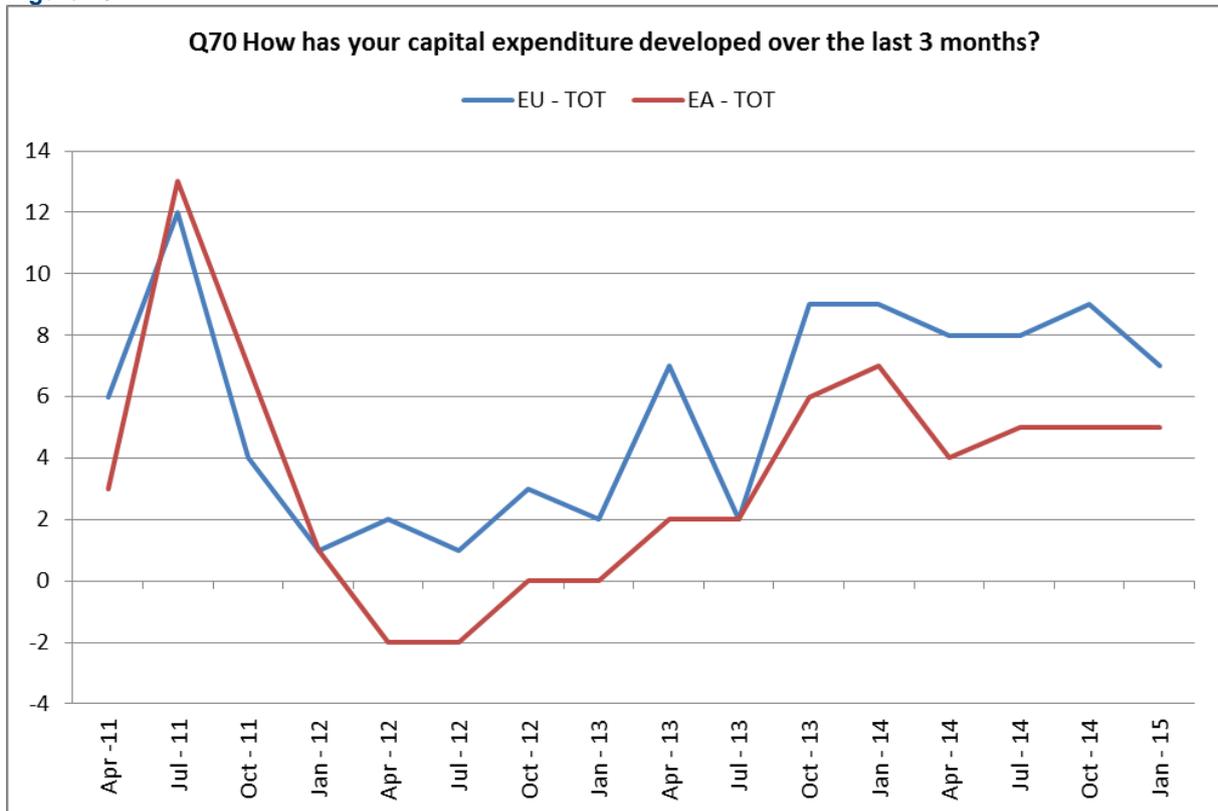
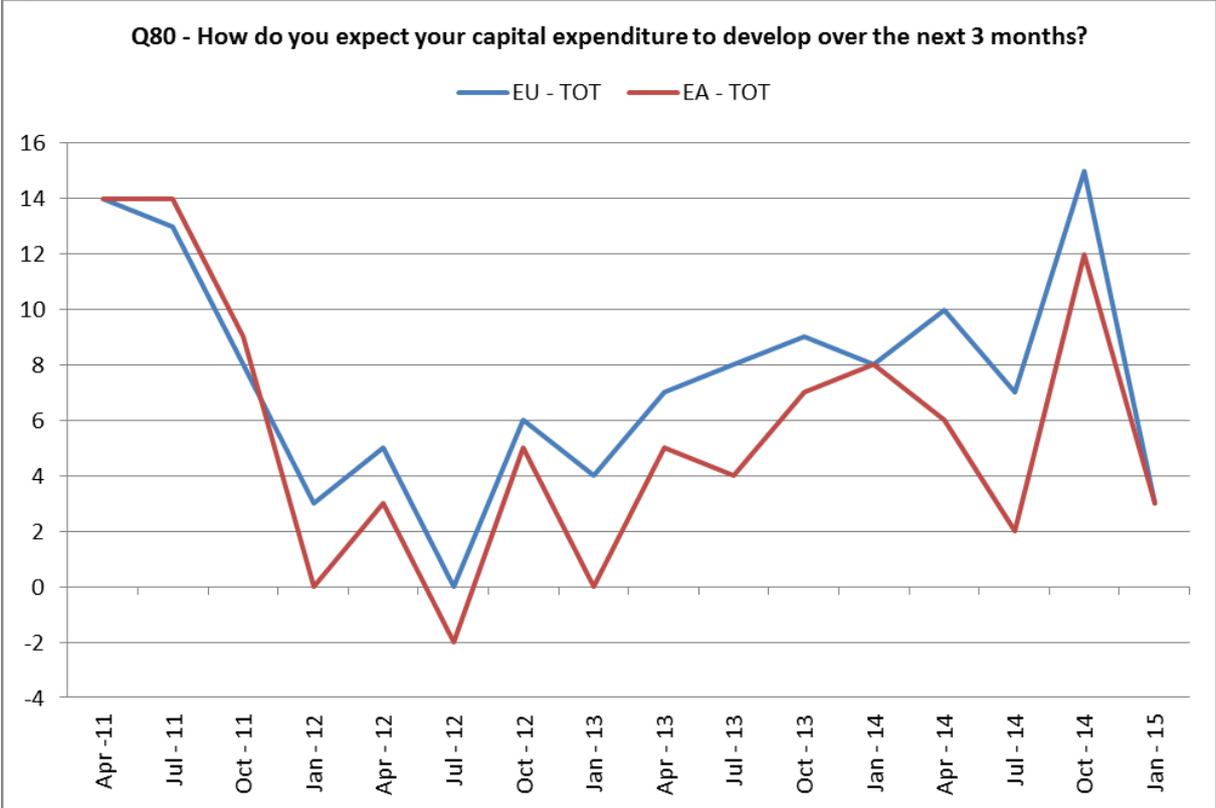


Figure 16



### 3.2.5 Competitive position

#### Competitive position over the past 3 months

Figures 17 to 21 give an overview of the question of how the competitive position of the respondents' companies has developed over the past 3 months. This question is asked at 5 levels: in total, in the respondents' respective countries, in the EA, in the EU and outside the EU. Considering the fact that not all companies are internationally oriented, the last three levels are not applicable for all respondents. Reported competitive position is relatively stable across the four waves at EU and EA-level.

Figure 17

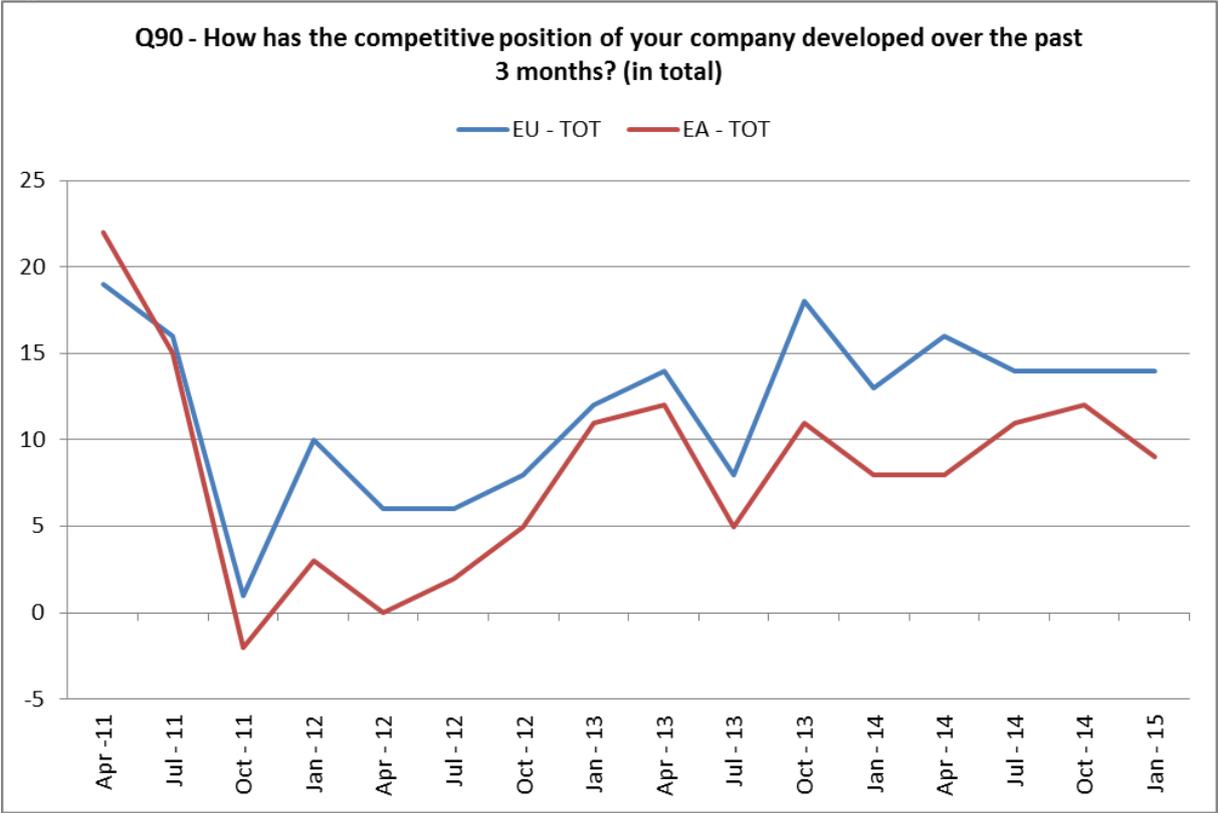


Figure 18

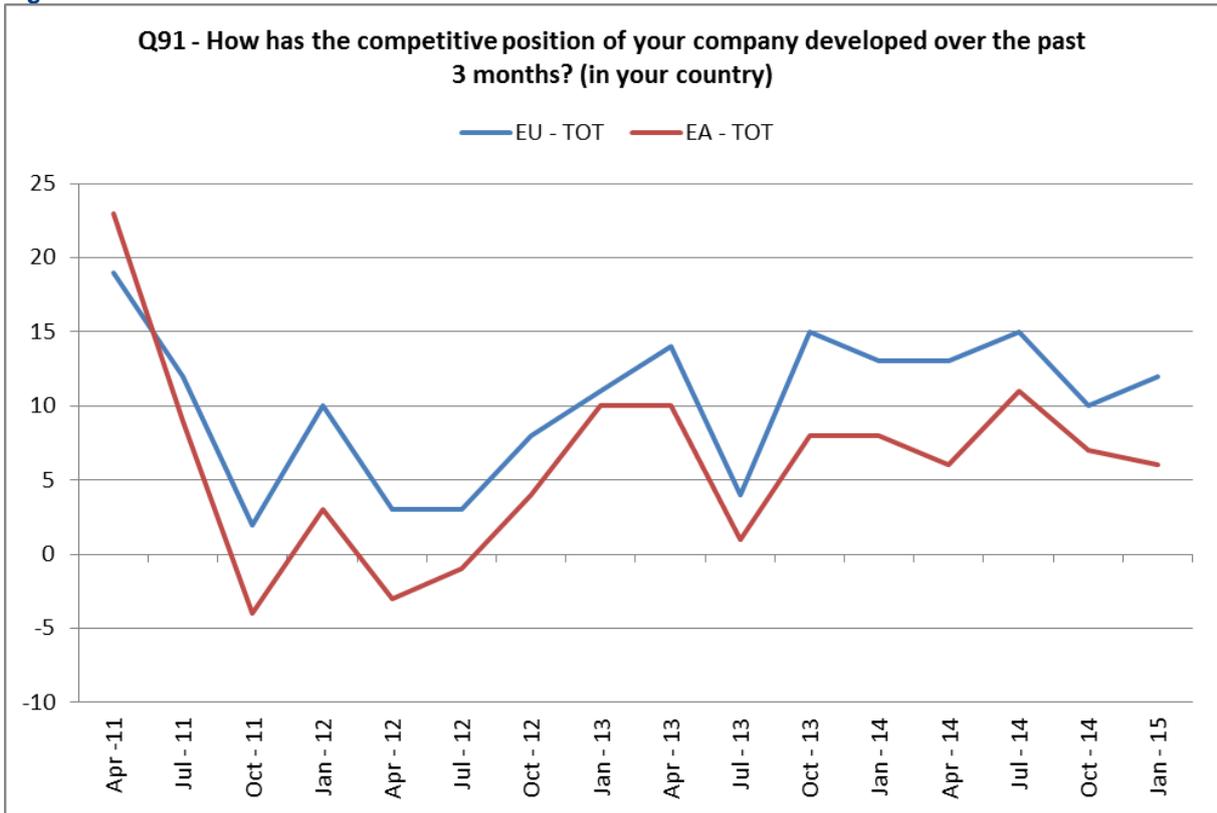


Figure 19

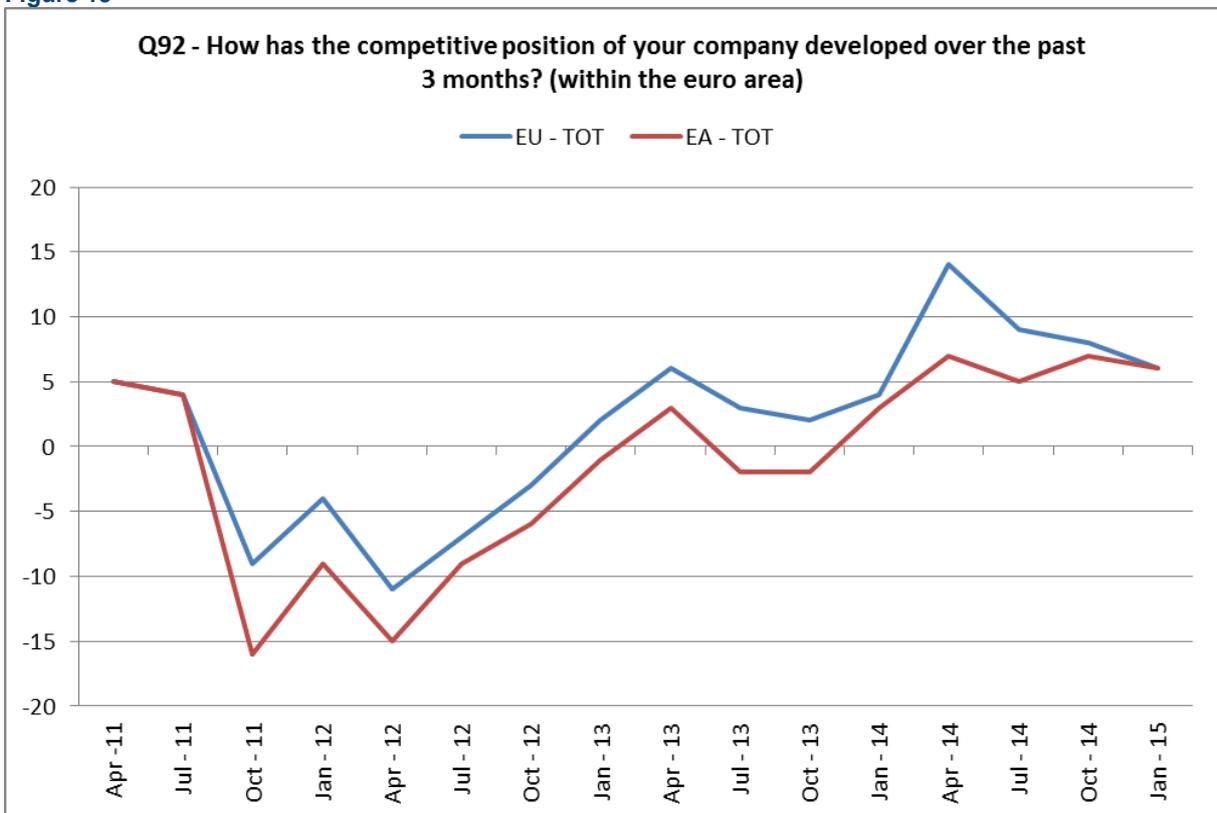


Figure 20

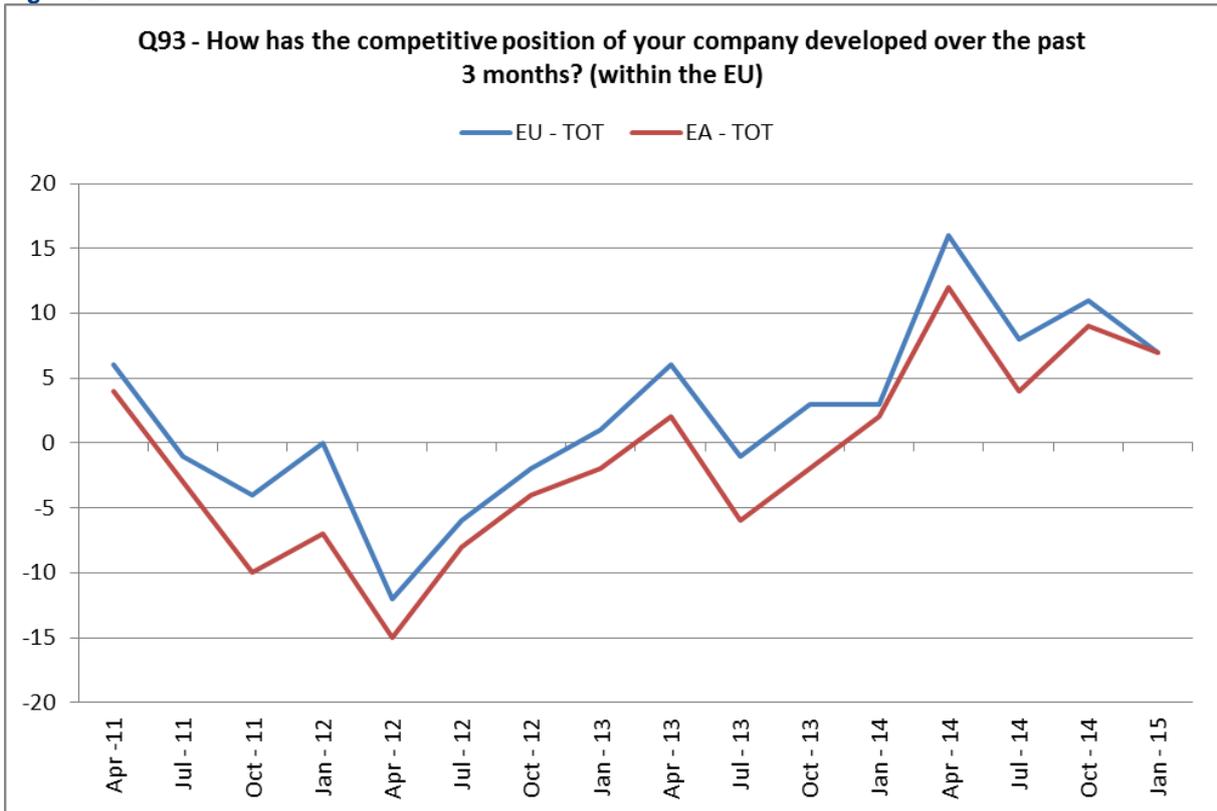
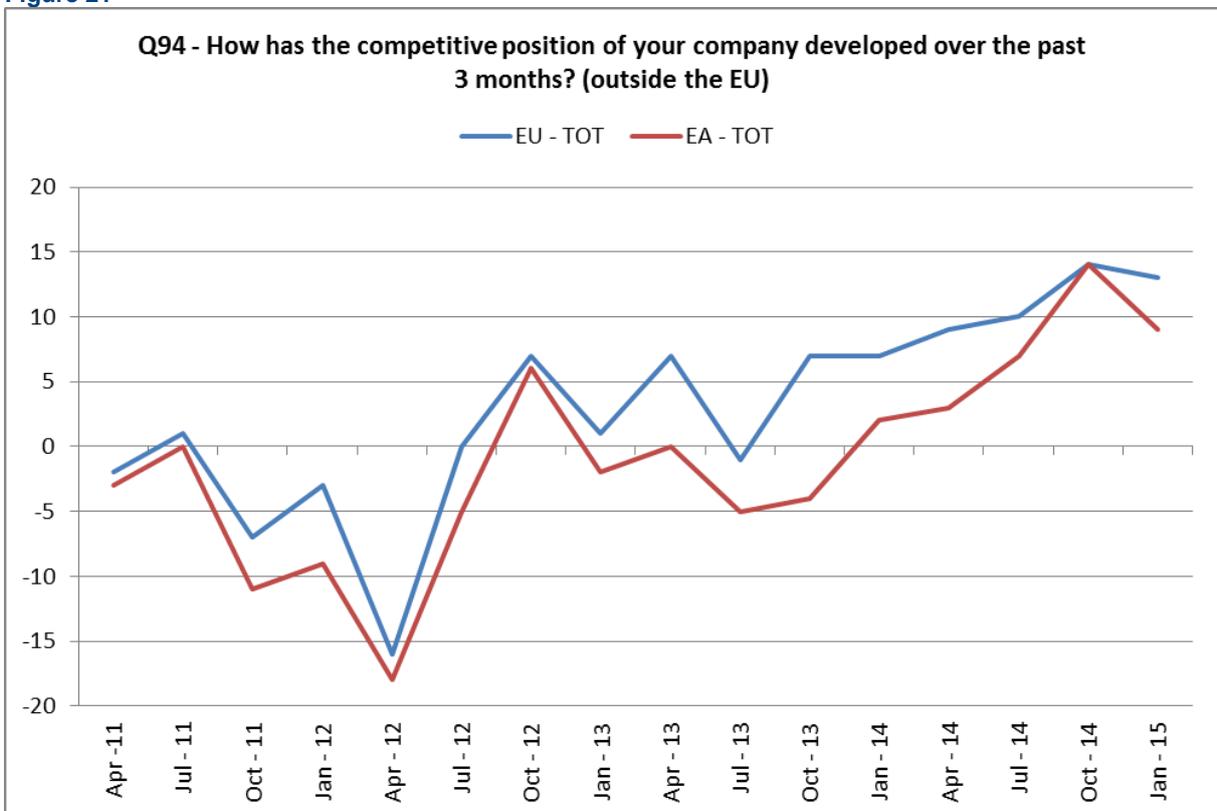


Figure 21



### Competitive position in the next 3 months

Looking at the expectations respondents have on the competitive position of their companies (Figures 22 to 26), this was higher with EU-level respondents than EA respondents. Results were relatively stable across all four waves, though it can be noted that scores were generally a little higher in July 2014 and January 2015 than in the other two months.

Figure 22

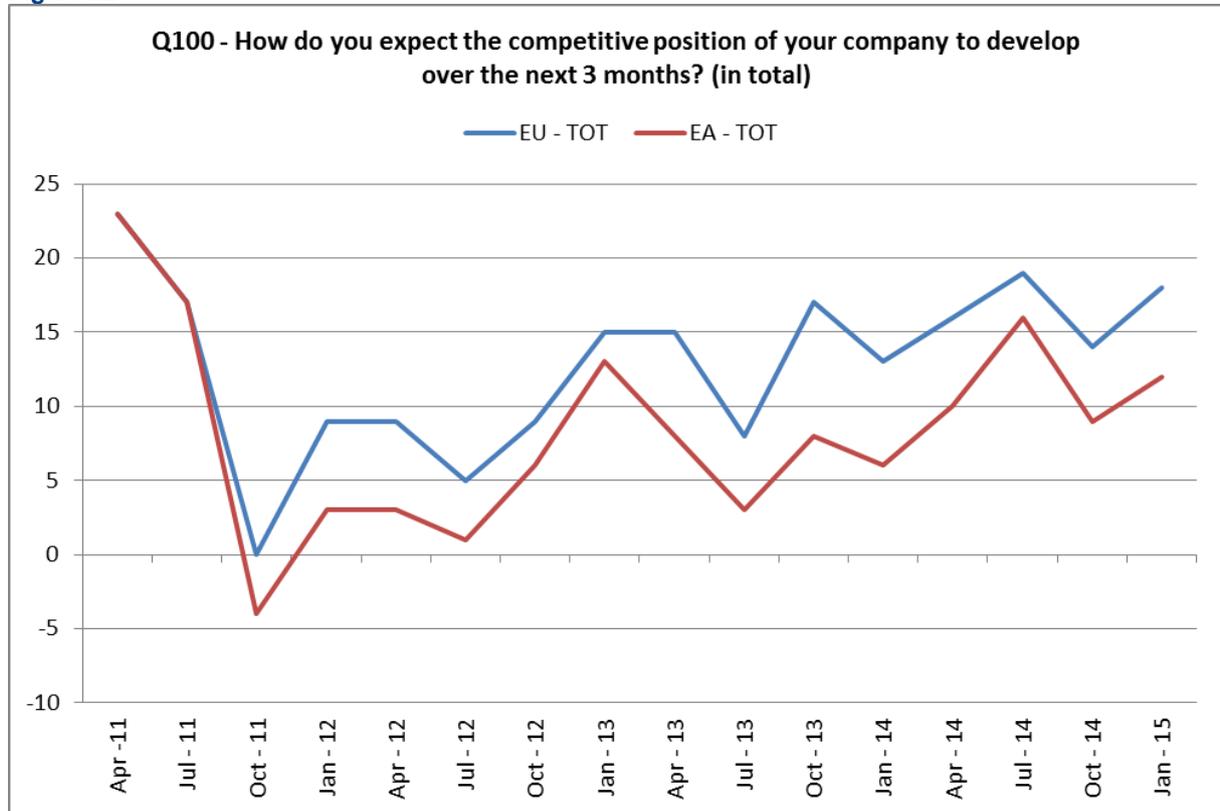


Figure 23

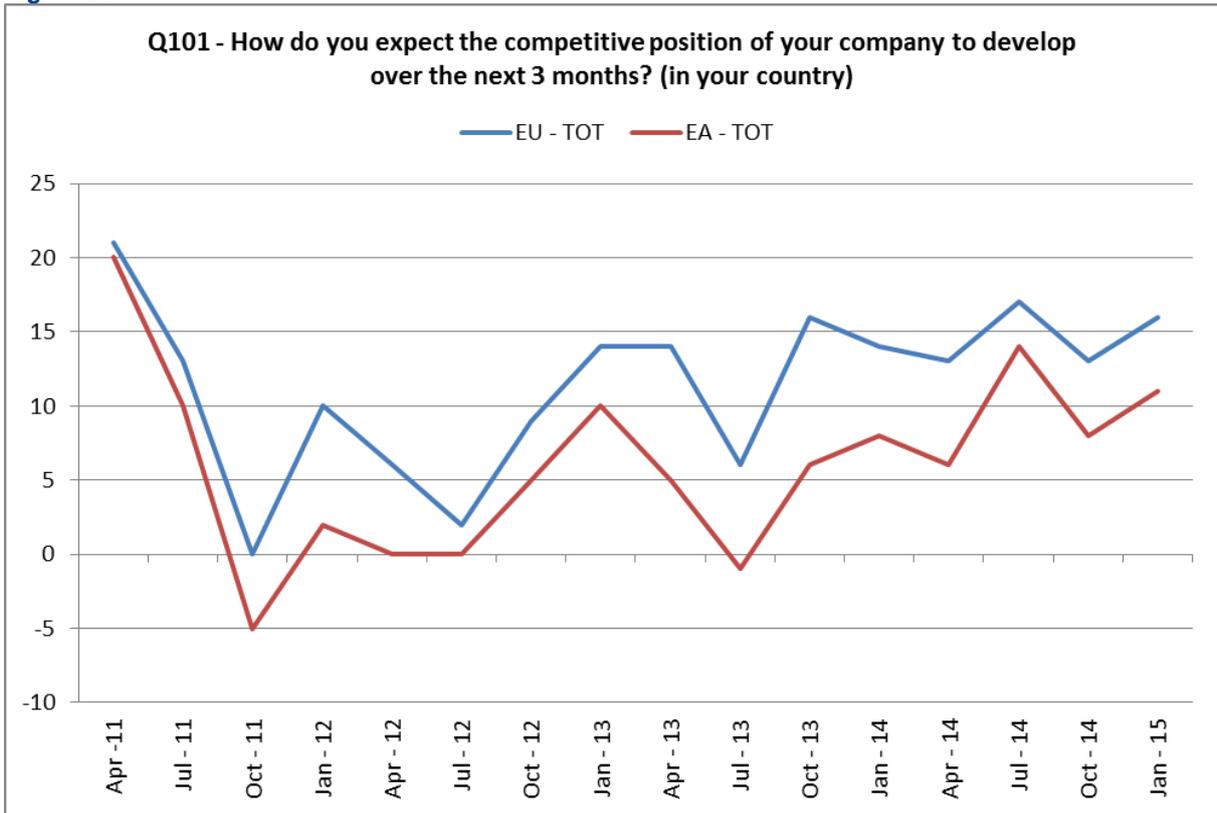


Figure 24

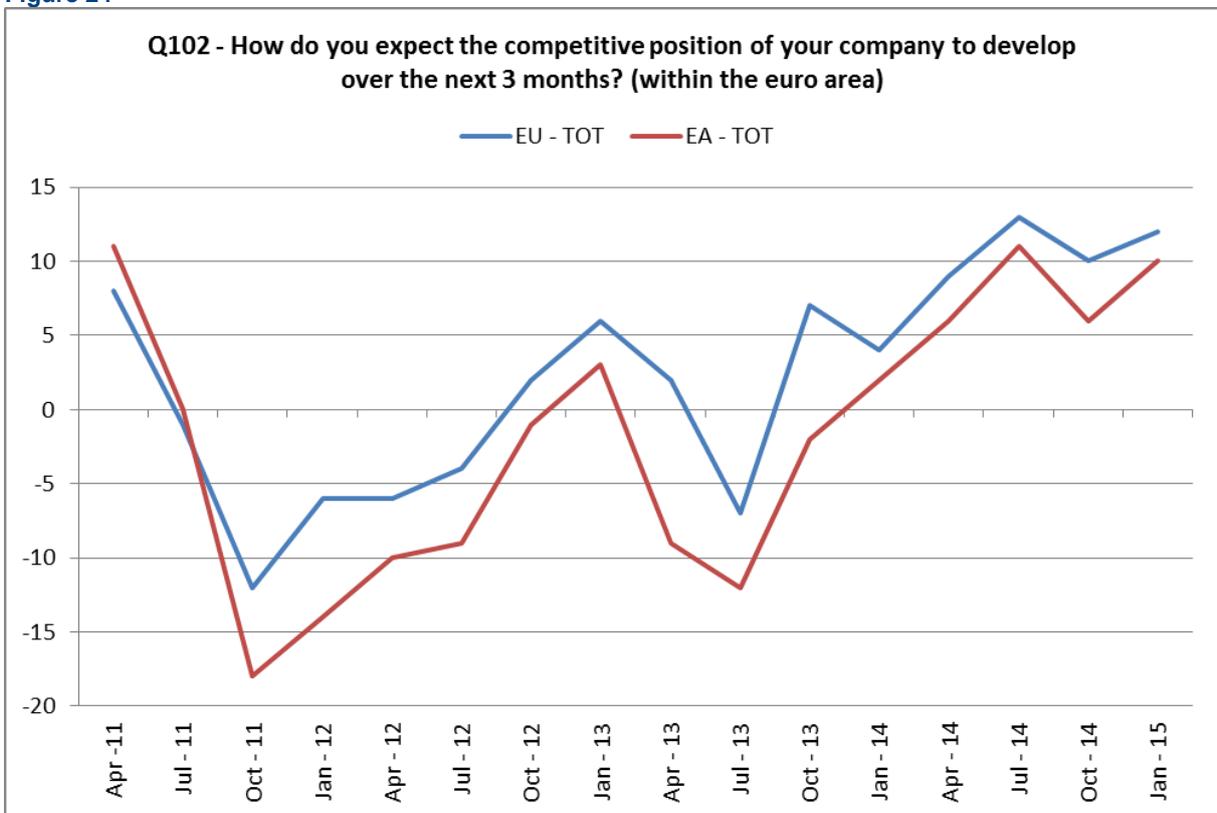


Figure 25

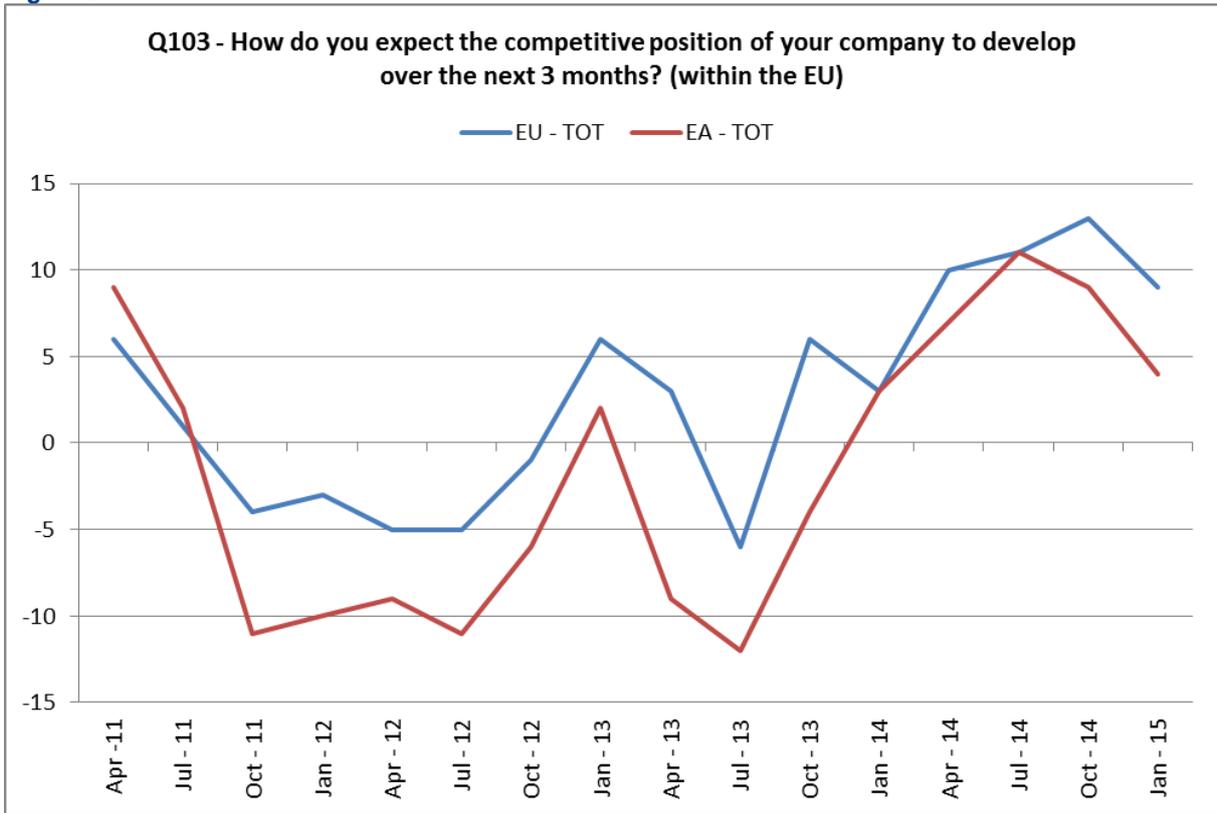


Figure 26

