

ANALYSIS OF THE BANKING SYSTEM'S CONCENTRATION DEGREE IN EU COUNTRIES

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ABSTRACT: This paper focuses on four main fields of interest. The first part of the study is dedicated to an analysis of the specialized literature with a view to highlighting our research area. The second part concentrates on recent trends in the evolution of bank concentration indexes. The third part consists of an analysis of the key-indicators which influence the degree of bank concentration, while the last part of our paper establishes the relation between the Herfindahl index and the key-indicators (Total assets, Number of credit institutions, Population and Gross domestic product at market price) with the help of the correlation indexes. At the end of the study we present our conclusions. We find that the overall European banking market is not very concentrated.

Key words: concentration degree, index, correlation, influence.

JEL Codes: G21, L1, D40