

# **Bank ownership database**

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# Motivation

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- Foreign banks important and growing role in financial intermediation
- Global financial crisis and other events have raised many questions on pros and cons of foreign banks
- Lot of heterogeneity
  - Host countries
  - Home countries
  - Bilateral home and host
  - Bank characteristics: size, funding structure, etc.
- Heterogeneity matters, but at times ignored

# Aim

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- Construct database for large sample of banks, active in large sample of countries covering long time period
- Facilitate research on impact of foreign banks using a more powerful lens

# Bank ownership database

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- Original and hand-collected database on bank ownership
  - ✓ 1995-2009
  - ✓ 5,377 banks active for at least one year
    - Commercial, savings, cooperative banks and bank holding companies
  - ✓ 137 countries
    - Emerging markets and developing countries: virtually all banks
    - Advanced countries: 100 largest banks
  - ✓ Information included
    - Year of establishment/year of inactivity
    - Ownership (domestic or foreign (= > 50%))
    - If foreign, home country of majority foreign shareholder
    - If foreign, mode of entry (greenfield, M&A)
    - Balance sheet information (linked to Bankscope)

# Bank ownership database

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- Recently updated
  - ✓ 1995-2013
  - ✓ 5,498 banks active for at least one year
  - ✓ 138 countries

(not publicly available yet)

# Data

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country	year	bankname	bsid	yoe	yoi	ownership	home country
POLAND	1995	PKO BP SA	33088	1919		0	
POLAND	1996	PKO BP SA	33088	1919		0	
POLAND	1997	PKO BP SA	33088	1919		0	
POLAND	1998	PKO BP SA	33088	1919		0	
POLAND	1999	PKO BP SA	33088	1919		0	
POLAND	2000	PKO BP SA	33088	1919		0	
POLAND	2001	PKO BP SA	33088	1919		0	
POLAND	2002	PKO BP SA	33088	1919		0	
POLAND	2003	PKO BP SA	33088	1919		0	
POLAND	2004	PKO BP SA	33088	1919		0	
POLAND	2005	PKO BP SA	33088	1919		0	
POLAND	2006	PKO BP SA	33088	1919		0	
POLAND	2007	PKO BP SA	33088	1919		0	
POLAND	2008	PKO BP SA	33088	1919		0	
POLAND	2009	PKO BP SA	33088	1919		0	

- Domestic bank active over the full time period

# Data

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country	year	bankname	bsid	yoe	yoi	ownership	home country
POLAND	1995	Bank Gdanski SA	36953	1989	1997	0	DOM
POLAND	1996	Bank Gdanski SA	36953	1989	1997	0	DOM
POLAND	1997	Bank Gdanski SA	36953	1989	1997	0	DOM
POLAND	1998	Bank Gdanski SA	36953	1989	1997		
POLAND	1999	Bank Gdanski SA	36953	1989	1997		
POLAND	2000	Bank Gdanski SA	36953	1989	1997		
POLAND	2001	Bank Gdanski SA	36953	1989	1997		
POLAND	2002	Bank Gdanski SA	36953	1989	1997		
POLAND	2003	Bank Gdanski SA	36953	1989	1997		
POLAND	2004	Bank Gdanski SA	36953	1989	1997		
POLAND	2005	Bank Gdanski SA	36953	1989	1997		
POLAND	2006	Bank Gdanski SA	36953	1989	1997		
POLAND	2007	Bank Gdanski SA	36953	1989	1997		
POLAND	2008	Bank Gdanski SA	36953	1989	1997		
POLAND	2009	Bank Gdanski SA	36953	1989	1997		

➤ Domestic bank exited the market in 1997

# Data

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country	year	bankname	bsid	yoe	yoi	ownership	home country
POLAND	1995	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	1996	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	1997	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	1998	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	1999	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	2000	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	2001	Bank of Tokyo - Mitsubishi	16964	2002			
POLAND	2002	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2003	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2004	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2005	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2006	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2007	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2008	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN
POLAND	2009	Bank of Tokyo - Mitsubishi	16964	2002		1	JAPAN

- Foreign bank entered in 2002 through greenfield. Owner is Japanese bank (Bank of Tokyo-Mitsubishi)



# Data

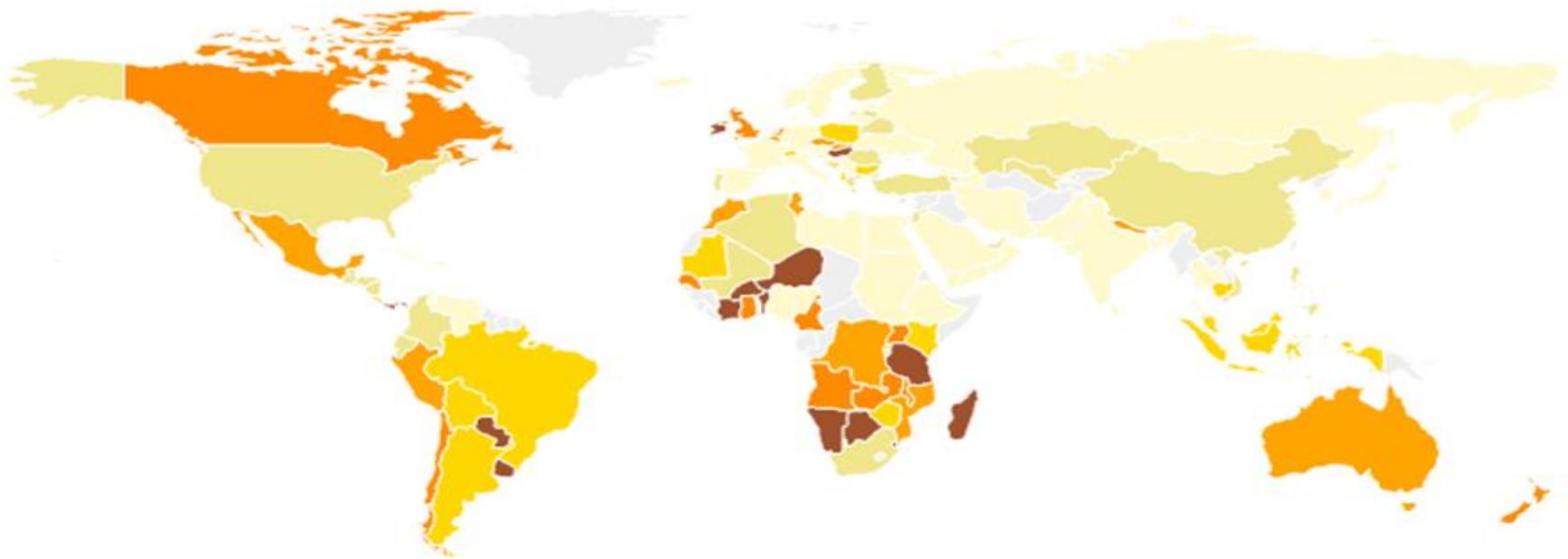
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country	year	bankname	bsid	yoe	yoi	ownership	home country
POLAND	1995	Bank Pekao SA	31008	1929		0	
POLAND	1996	Bank Pekao SA	31008	1929		0	
POLAND	1997	Bank Pekao SA	31008	1929		0	
POLAND	1998	Bank Pekao SA	31008	1929		0	
POLAND	1999	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2000	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2001	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2002	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2003	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2004	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2005	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2006	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2007	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2008	Bank Pekao SA	31008	1929		1	ITALY
POLAND	2009	Bank Pekao SA	31008	1929		1	ITALY

- Foreign bank entered in 1998 through M&A of a domestic bank. Owner is Italian bank

# Foreign bank presence in 1995

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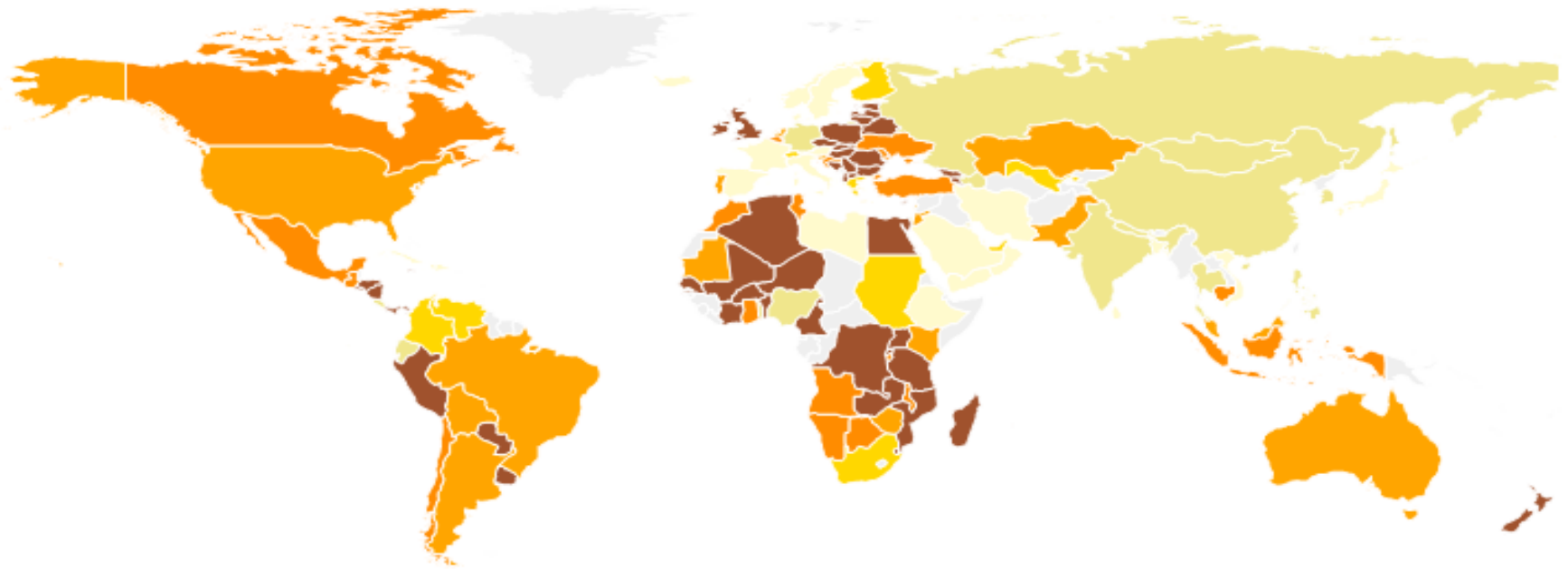


percentage of foreign banks among total banks, 1995



# Foreign bank presence in 2009

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percentage of foreign banks among total banks, 2009

- Less than 10
- 10 to 20
- 20 to 30
- 30 to 40
- 40 to 50
- More than 50

# Analysis possible with database (some done)

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- Compare behavior domestic and foreign banks
- Compare impact foreign bank in different host countries
  - ✓ E.g. low versus high financial development
- Compare foreign banks from different home countries
  - ✓ E.g. from advanced countries vs from emerging markets
- Study impact of home-host characteristics
  - ✓ E.g. distance, institutional/regulatory differences
- Study behavior different types of foreign banks
  - ✓ E.g. deposit vs non-deposit taking

# Some limitations

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- Balance sheets data limited to Bankscope: mainly subsidiaries, no branches
- Direct ownership, not global owner
- Home country of majority foreign shareholder, not parent company
- Do not differentiate between state-owned and private domestic banks

# Conclude

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- Bank ownership database paints an almost complete picture of foreign bank ownership and changes therein for the period 1995-2009 (soon 2013)