

ROLE OF FOREIGN BANKING INSTITUTIONS IN THE EUROPEAN UNION'S NEW FINANCIAL MARKETS

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The aim of this paper is to analyze the influence of foreign capital on the commercial banking sector of the emerging markets. The entry of foreign banks into the markets of Central and Eastern European countries (CEECs) has been rapid, remarkable and massive. This paper presents some empirical results of foreign banks' entry, activities, operation and strategies in four CEECs (Estonia, Lithuania, Poland, and Romania); the first three of them have already joined the European Union integrated financial market in May 2004. The paper is based on a special survey results obtained by the authors from domestic and foreign-owned banks in these countries. Meanwhile mergers and acquisitions of the domestic banks are rather technical details of a foreign capital influx. According to our results, the main incentives motivating foreign entry have been to exploit new business opportunities and/or market expansion strategies. The host country market specifics, advantages and disadvantages of foreign banks, main target groups, and fields of activities, as well as foreign banks' motives for strategic long-term stay in the host country market, some more important characteristics of banks' governance and management are also discussed. Interesting are the questions who are the key decision-makers in the majority of foreign-owned banks, how banks have adopted know-how and risk management systems from the mother bank, how the mother bank helps its daughter in the host country, etc. The issues of the competitive pressure by foreign banks and the domestic banks' survival prospects are also addressed in the paper.

Keywords: foreign banks' entry motives and strategies, advantages of foreign banks, activities and target groups of banks, domestic banks' survival prospects

JEL Category Number: G21

Introduction: Theoretical background and related literature

Foreign banks' entry into transition economies is a widely discussed subject in recent literature, because the banking sector has a strong effect

on the whole economy. In Central and Eastern European countries (CEEC) the foreign banks entry is a challenge for both domestic banking systems and foreign banks. Each country enjoyed a certain specificity, which has been perceived by economic analysts and policymakers.

Questions such as: “What reasons do foreign banks have to act in CEEC and with what strategy?” or “What role do foreign banks play in the development of the financial system, in corporate restructuring, governance and in providing financial sources for investment in CEEC?” have to be met by means of theoretical and empirical research.

There is growing experience of empirical studies to suggest that the overall economic development of a country is a positive function of the development of its financial sector, especially of the banking system. Various studies have shown that countries with well-developed financial institutions tend to experience more rapid rates of real GDP per capita growth (Levine, 1997; Levine and Zervos, 1998; Rajan and Zingales, 1998). More importantly, empirical studies have shown that there is a positive correlation between foreign ownership of banks and stability of the banking system (Caprio and Honahan, 2000; Dages et al., 2000).

There is also experience of the impact of foreign banks’ participation in lending in different countries. For example, Dages et al. (2000) have examined the lending patterns of domestic and foreign banks and found that foreign banks usually have a stronger and less volatile lending growth than their domestic counterparts. They also found that the diversity of ownership contributes to a greater credit stability if a turmoil or a weakness is observed in the financial system. Weller (2000) showed that the entry by a greater number of multinational banks resulted in a lower credit supply by the Polish banks during the early transition phase. The entrance of foreign strategic investors in banks in Poland and other CEECs also meant corrections in these banks’ credit policies in order to make them consistent with their global pattern and strategies (Kowalski 2002). Chang et al. (1998) and Peek et al. (1999) re-

port comparisons of domestic-owned and foreign-owned banks’ performance in the US market. Benefits of increased foreign participation in the banking sector are discussed by Martinez et al. (1999), Gruben et al. (1999), Busch (2000), and Lardy (2001), Keren and Ofer (2002). Demirguc-Kunt et al. (1998) observed that over the period 1988–1995 and for a large sample of countries, foreign banks’ entry generally was associated with a lower occurrence of local banking crises. Tschoegl (2003) has shown that foreign banks dominate retail banking in the territories and nations of the Pacific Islands region.

Whether foreign banks’ entry and foreign direct investment (FDI) in the financial sector of a host country promote the growth of efficiency is a complicated issue. Graham (2001) emphasised the question of what exactly is meant by *efficiency* in the financial sector: “Does it mean, for example, that financial institutions themselves are efficient in the sense that, for any output, they minimise the input of resources, i.e. that these institutions are cost-efficient? (This concept of efficiency is often termed *x-efficiency*.) Or, alternatively, does it mean that, given the volume of national savings that an economy generates, these institutions intermediate these savings into the best possible end-uses, taking into account the risk characteristics of alternative end-use possibilities? The first concept is about the efficiency of individual financial institutions, whereas the second is about the efficiency of the entire financial system as it affects the performance of the economy” (op. cit., p. 8). Unfortunately, these two concepts of efficiency do not coincide fully.

Theoretical considerations suggest that foreign banks may be more x-efficient than domestic banks, but not necessarily so. Fortunately, a large number of empirical studies have

shown that many banks operating outside their own country are typically more x-efficient than domestic locally-owned banks (see Berger et al., 2000 for a review of the recent relevant literature). Berger et al. (2000) studied the relative efficiencies of foreign versus domestically owned banks in five developed industrial countries (the US, the UK, France, Germany, Spain), and their main finding was that foreign owned banks from certain countries of origin (especially the US banks) tend to be more efficient than either domestically owned banks or foreign owned banks from other countries (the authors called this phenomenon *limited global advantage*). In developing countries, foreign owned banks are generally more efficient than domestically owned ones, i.e. *global advantages* dominate over *home field advantages* (see Claessens et al., 2001).

An equally important issue for emerging market economies is whether foreign banks' entry will contribute to banking system stability and to being a stable source of credit, especially during periods of crises. Mathieson and Roldos (2001) pointed out two related issues: whether the presence of foreign banks makes systemic banking crises more or less likely to occur, and whether there is a tendency for foreign banks to "*cut and run*" during crisis periods (op. cit., p. 23). In general, it has been suggested that foreign banks can provide a more stable source of credit, because branches and subsidiaries of large international banks can draw on their parents (which typically hold more diversified portfolios) for additional funding. De Haas and Lelyveld (2002, 2003) showed on the basis of empirical analysis that during crisis periods domestic banks contracted their credit and deposit bases, whereas foreign banks did not. Gros (2003) argued that countries with weak banking and fiscal institutions should benefit from the presence of foreign banks. Large international banks

are likely to have better access to global financial markets, and the entry of foreign banks can improve the overall stability of the host country banking system (stronger prudential supervision; better disclosure, accounting and reporting practice, etc.).

There are also some concerns that foreign banks' entry may worsen banking system stability in the host country. For example, if domestic banks are relatively inefficient, they may respond to increased competition by undertaking higher-risk activities to earn returns, or they will be forced into bankruptcy. Foreign banks may tend to take over the credit-worthiest domestic customers, leaving domestic banks to serve other more risky customers and thereby worsen the profit, risks and capital position of domestic banks. There have also been concerns about the behaviour of foreign banks during periods of crises, although recent empirical studies have shown that greater foreign bank participation was a stabilising factor also during crisis periods (see Demirgüç-Kunt and Detragiache, 1998; Palmer, 2000; Dages et al., 2000). However, the latest financial crisis in Argentina sheds some new light on the role of foreign banks in crisis development and calls for new research in this area.

Pomerleano and Vojta (2001) have pointed out some newly emerged factors which are stimulating participation of foreign banks in emerging market-banking systems and which drive from current trends in banking development (op. cit., p. 3–4):

- The banking sector is consolidating on a global basis and the global economy is increasingly interconnected in real and financial terms. A small number of very large global banking institutions and smaller domestic banks are emerging in emerging markets, and they lack necessary resources and/or do not desire to build competitive global networks.

Thus, domestic banks should create alliances with these global banks to provide global financial services to their customers.

- The development of local capital markets, which is often fuelled by pension reforms. The development of local capital markets requires the import of foreign expertise in the form of foreign branches, joint ventures, etc.
- The global financial system is in the process of supporting a movement to achieve universal acceptance of global standards and best practices. Compliance with these standards requires the adoption of foreign expertise by domestic banks.
- The increased foreign direct participation in domestic banks, which is related with privatisation and restructuring of the domestic banking system as a result of transition to market economies in CEECs.

The main expected benefits and drawbacks from the entry of foreign banks are clearly defined by Bonin et al. (1998); see also Dages et al. (2000), Murinde and Ryan (2000), Doukas et al. (1998). The main expected benefits include:

- Introduction of a new banking technology and financial innovations (for foreign banks it is relatively easy to introduce new products and services to the local market).
- Possible economies of scale and scope (foreign banks can help encourage the consolidation of the banking system, they have knowledge and experience of other financial activities: insurance, brokerage and portfolio management services).
- Improvement of the competition environment (foreign banks are potent competitors to local banks).
- Development of financial markets (foreign banks' entry may help deepen the inter-bank market and attract business from customers

that would otherwise have gone to foreign banks in other countries).

- Improvement of the financial system infrastructure (transfers of good banking practice and know how, accounting, transparency, financial regulation, supervision and supervisory skills).
- Attracting foreign direct investment (foreign banks' presence may increase the amount of funding available to domestic projects by facilitating capital inflows, diversifying the capital and funding basis).

Among the main arguments against foreign banks' entry, the following should be mentioned:

- Fear of foreign control (control over the allocation of credit implies substantial economic power in any economy).
- Banking as an infant and special industry (this argument is a form of the general infant industry argument, and banks are subject to various special protections due to their central role in the economy).
- Foreign banks may have different objectives (they may be interested only in promoting exports from the home country or in supporting projects undertaken by their home country firms). They might have a tendency to make their portfolio policy uniform and thus limit the supply of credit to businesses that do not fit in their global pattern.
- Regulatory differences (the host country supervisors lose regulatory control, and if the home country has a weak bank supervision this may lead to unsound banking in the host country).

Hellmann (1996) distinguished among three internationalisation strategies: customer following strategy, market seeking strategy, and following the leader strategy. All of those three features may contribute to the internationalisation

at the same time. The question is what strategy is more important at the moment. Neither strategy alone is sufficient to guarantee profitable international operations. It has been observed that following the customer may be a motive in the early stages of internationalisation, but its importance may decrease over time (Li and Guisinger, 1992).

Comprehensive overviews of the literature and respective empirical studies on the role of foreign banks in CEECs are given by Bol et al. (2002). In general, different empirical studies have shown different, both positive and negative, effects and specific risks of foreign banks' entry into the CEECs markets. Although we can mention a growing interest in this subject, it is probably too early to offer some general conclusions. There are findings on the basis of empirical research that provide some support for the opinion that foreign ownership strengthens emerging market financial systems (see Crystal et al., 2001, 2002; Peek and Rosengren, 2000), partly due to the increasing competition from foreign banks (Sebastian and Hernansanz, 2002).

There are also findings that entry of foreign banks may have some adverse effects. For example, the international financial competition lowered the total credit supply in Poland. Polish industries are finance-constrained because of the transition process, and a reduction in the credit supply has negative effects on business investments (Weller, 2000: 293).

Another argument against foreign banks is to regard the banking sector in developing countries as an infant industry. This view suggests that we should protect domestic banking market from international competition and let it mature through "learning by doing". But it can be argued that in presence of international competition the deve-

loping banking sector will mature even faster (Graham, 2001: 15–16).

All these arguments need additional empirical testing. An interview study questionnaire was elaborated with this aim in mind, using the experience and lessons of other similar studies (see Konopielko, 1999; Kraft and Galac, 2000; Pomerleano and Vojta, 2001). The following topics will be discussed in the paper: a brief description of the sample; motives for entry to the host country market; competitive advantages of foreign banks; foreign banks' strategies; and the impact of foreign banks on the competitiveness and survival of domestic banks. The paper ends with some concluding remarks.

1. The model

The survey of foreign and domestic banks was carried out during 2001–2002 in Estonia, Lithuania, Poland, and Romania. In Estonia all foreign banks (4 banks), representative offices of foreign banks (6 offices) and domestically owned banks (3 banks) were asked about the motives for foreign banks' entry and preliminary effects of it. The response rate of domestic banks was 100 percent; the response rates of foreign banks and representative offices were 50 and 67 percent respectively. In Poland, 40 most important banks (of a total number of over 70) were asked to answer the questionnaires. The response rate of domestically controlled banks was higher than that of foreign-controlled ones. Altogether, the general response rate reached the level of 65 percent. All foreign and domestic banks of the Romanian banking system were inquired about the effects of foreign banks' entry into the Romanian banking system. The response rate was 60 percent for domestic banks and 50 percent for foreign banks.

A survey on foreign banks' role was conducted in Lithuania in June–December 2001. All of foreign and domestically owned banks were inquired about the motivations and preliminary effects of foreign banks' entry. The response rate for domestic banks was about 80 percent; the response rate of foreign banks and representative offices was about 70 percent.

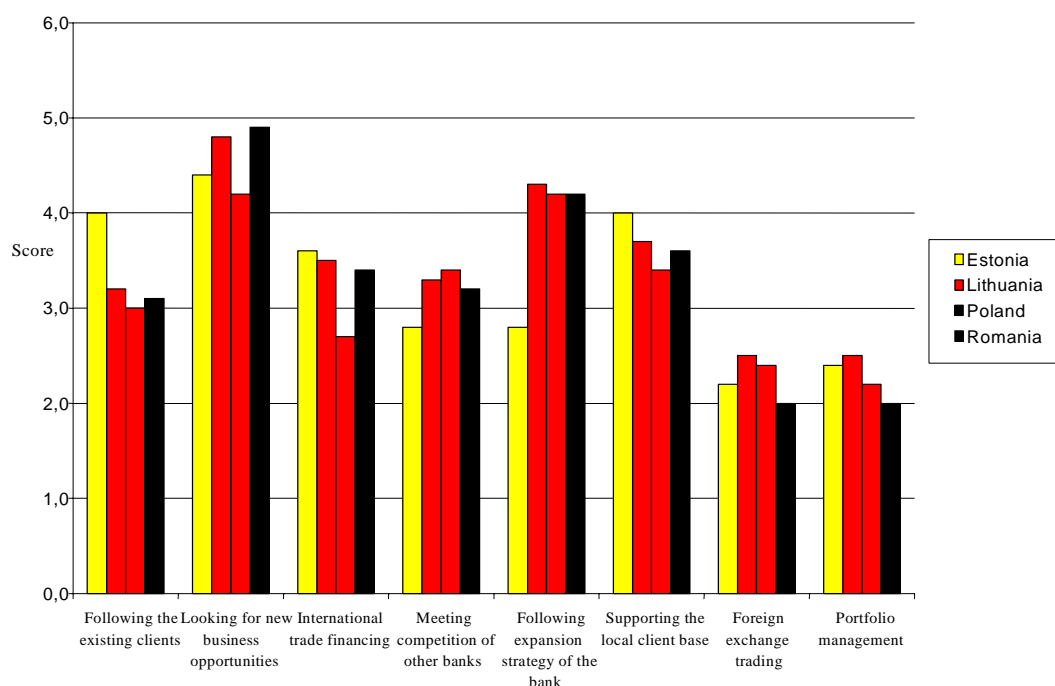
2. Mergers and acquisitions

Mergers and acquisitions of domestic banks could be concerned as rather technical details of a foreign capital influx. The paper is not concentrated on the methods how foreign capital banks take control over domestic banks. A general assumption is that more than fifty percent plus one share shows the bank's ownership. According to that, the foreign or domestic ownership was evaluated. Moreover, portfolio investments into domestic banks are not discussed in this paper. To put it another way, mainly foreign direct investments (FDI) in the banking sector are taken into consideration. Therefore the statement 'eighty percent of a country's banking market is controlled by foreign banks' means that more than fifty percent of shares in these banks are owned by foreign shareholders and *vice versa*. Furthermore, data on the foreign and domestic owners' rights, based on the definition above, are used in the all following parts of this paper. Results of the survey and theoretical considerations are based, however, on splitting the banks into two groups — domestic and foreign. Management practices, innovations, decision making and other issues very much depend on the ownership of a commercial bank. Meanwhile all these issues on management, implementation of new technologies, etc. hardly depended on how the bank was taken over by foreign investors,

e.g., by a merger with a foreign bank or by an acquisition of its equity.

3. Intentions for foreign banks' entry

The banks in all countries were asked to evaluate different questions on a 5-point scale. The main reasons for entry to the host country markets are presented in Figure 1. The same questions regarding the motives were put to both domestically and foreign-controlled banks. In the case of the first group we intended to get information on the domestic banks' perception of the foreign-controlled banks' motives and strategies. It appears that the most important motives for foreign banks' entry are new business opportunities in all observed countries (the average grades given by domestic banks and foreign banks are respectively 4.68 and 4.58). The expansion strategy of a foreign bank was evaluated as the second more important reason for entry to the host country market. Following the existing clients was a very important reason for foreign banks' entry in Estonia, but not in other countries. Supporting and developing the local client base was mentioned by respondents also as quite an important motive (average grade 3.25 and 3.68). As we have already mentioned, Hellmann (1996) pointed out three potential internationalisation strategies of banks: customer following strategy, follow the leader strategy, and market seeking strategy. Our results suggest that banks have probably followed all the three strategies. Foreign exchange trading, portfolio management and/or meeting competition of other banks were not highly evaluated in either of the countries. It should be noted that there have been some differences among the countries. They are seen in particular in the case of an assessment of the following expansion strategy of the bank.



*Fig. 1. Main reasons for entry to the host country market
(Based on authors' data on foreign banks)*

It can be said that the classical important host country determinants of FDI are important also in the banking sector. Again, it is not possible to distinguish the most important factor underlying the foreign entry decision, because they are equally important and quite different in different countries. Nevertheless, respondents (both domestic and foreign banks) in all countries highly evaluated macroeconomic and political stability in the country (4.28 and 4.10 respectively).

Liberal economic policy, a good potential for the future, the European Union (EU) membership, as well as the existing clients and the potential new clients' base were seen as important features. Surprisingly, in all countries good tourism and/or industries development opportunities were evaluated as not important.

4. Competitive advantages, target groups and fields of bank activities

It is commonly agreed that foreign banks have several advantages over domestic banks in transition economies. The respondents' evaluations of the advantages and disadvantages of foreign banks in Estonian, Lithuanian, Polish and Romanian banking markets are presented below. The results of our comparative study suggest that foreign banks have quite different advantages over domestic banks in different countries. For example, Estonian foreign banks have significant advantages over Estonian domestic banks in terms of: 1) lower expensiveness of funding sources; 2) better loan interest rates; 3) competition threat to domestic banks. Lithuanian, Polish and Romanian respondents evaluated more highly the following foreign banks'

advantages: 1) reputation of foreign banks; 2) better range and quality of banking innovations; 3) better risk management. In general, reputation of foreign banks was evaluated as the most important advantage of foreign banks, followed by the range and quality of banking innovations (Estonia is an exception). However, the main advantage of domestic banks is a better knowledge of customers and closer bank–customer relations.

Our results also indicate that foreign and domestic banks in different countries have somewhat different target customer groups. Most important client groups for domestic banks in Estonia are small and medium domestic companies (SMEs) and high-income individuals (the average grade for both client groups 4.3 points). The main target client groups for foreign-owned banks are as follows: large domestic companies (average 4.0 points), home country companies (3.8 points), and large exporters (also 3.8 points). This result indicates that foreign banks have followed their home country customers into the Estonian market.

The main target groups of domestic and foreign banks in Poland are different from Estonian ones. Among the most important target groups of Polish domestic banks were mentioned SMEs (4.6 points), households and high-income individuals (both 4.0 points), also sole proprietors (3.9 points). For foreign banks, the main target groups in the Polish market are domestic SMEs and high-income individuals (average grade 4.5 points) followed by large domestic companies (4.1 points). This phenomenon is quite understandable if we remember the different size and structure of these markets and economies. The most important target groups of Romanian domestic banks are large exporters and domestic SMEs (average grades 4.5

points), for foreign banks home country companies, international corporations, and large exporters (average grade also 4.5 points).

Our study results indicate that there are no very significant perception differences between foreign and domestic banks in the main fields of activities. Differences are higher in different countries' markets and banking activities, and they depend more on a country's specific factors. The specific banking activities are not very essential in Estonia, because here all active banks are universal banks, although corporate financing is the most important field of activity for both domestic and foreign banks (the average grade 4.3). Foreign exchange trading, cash and assets management and capital market transactions were mentioned by Estonian domestic banks among the more important other fields of activities.

Corporate financing and, different from the Estonian case, retail banking activities were evaluated by Polish and Romanian domestic and foreign banks more highly (average grade 4.0 points). Also, project financing was evaluated highly by both Romanian domestic and foreign banks. It is quite interesting to mention that non-financial activities are quite highly evaluated both by Estonian domestic and foreign banks (grade 3.0 and 3.3 points), but not by Polish and Romanian domestic and/or foreign banks. Estonian banks seem to be more universal in their activities: they also more actively participate in leasing, capital market, insurance activities in comparison with Polish and Romanian domestic and foreign banks.

5. Main fields of activities of foreign banks

All respondent foreign banks' strategies foresee long-term stay in the Estonian, Polish and Ro-

manian banking markets. Among the most important motives for the stay in these markets were good future perspectives of developing the local client base (average grade 4.00 points), as well as good future perspectives of doing business with the home country clients (4.1 points).

We received quite a limited information from respondents about the general sector structure of both domestic and foreign banks' direct investments and participation in the boards of targeted firms. For example, only a few Estonian respondents mentioned investments into leasing and insurance (financial sector) and one respondent into manufacturing industries and trade and other services (non-financial sector). Also, some banks mentioned that they had representatives in both financial and non-financial sector firms' boards. Only one domestic bank reported that it had 100 % control over the targeted leasing firm.

All banks in Estonia and in Romania use the German-type two-tier board model for bank governance. The total number of the Managing Board members varies in foreign-owned banks from 3 to 10, in domestic banks from 3 to 5. The Managing Boards consist mainly of executive directors; one domestic bank reported also having in the Managing Board representatives of private shareholders and a non-executive director. The total number of Supervisory Board members in Estonia varies in foreign banks from 6 to 10 and in domestic banks within 5–6 members. One Estonian majority foreign-owned bank reported the exact structure of the Supervisory Board: 5 institutional shareholders, four consumer representatives, and one private shareholder (total number of the Board members 10). In the Supervisory boards of domestic banks are sitting mostly institutional and private shareholders.

Some Estonian and Romanian foreign-owned

banks (or representative offices of foreign banks) and domestic banks reported on who was making key strategic decisions in the bank. In general, the mother bank is the main strategic decision-maker in foreign banks, also the Managing Board of the foreign-owned bank alone or with the Managing Board of the mother bank are making some important strategic decisions (especially in working out general strategic policies and/or capital policy). The shareholders' assembly and the Managing Board play the key role in strategic decision-making in domestic banks. It is quite interesting that Estonian and Romanian respondents reported quite differently to this question.

The share of foreign high level managers in foreign-owned Estonian banks was reported by two banks to be about 10–12 % (two banks reported only one percent) and very few of them had experience in transition countries. Quite surprisingly, also one domestic bank reported the share of foreign managers about 20 %, about 20 % of them having experience in transition countries.

Estonian, Polish and Romanian foreign-owned banks' evaluations of the adoption of the mother bank various policies, systems and management techniques are different also. Risk management techniques, cost management, choice of activities and credit policy methods are evaluated by respondents as most relevant adjustments to mother banks' ones. In general, all listed adjustments are evaluated quite highly and we may conclude that the mother bank's impact on the foreign-owned bank operation is relatively high.

The transfer of various kinds of know-how from foreign banks has been important, especially for foreign-owned banks' management. The transferred know-how of the interest rate, solven-

cy and credit risk management techniques was evaluated by respondents more highly. Liquidity risk management techniques, information systems, credit policy and personnel policy transfer from foreign banks is evaluated by Estonian domestic banks also quite highly. The average grades of Polish respondent domestic banks are somewhat different: the transfer of information systems and banking services/products mix policy were evaluated as most important know-how transfers from foreign banks (4.3 and 4.2 grades respectively).

The assistance in borrowing from international markets and the financial assistance in times of crises or other financial troubles are evaluated by Estonian respondents as most important forms of assistance by the mother bank (4.3 and 4.0 grades respectively). All other listed assistance forms are also evaluated quite highly, so that the mother bank, in general, supports Estonian foreign-owned bank operations and activities in the market.

Respondent domestic banks' evaluations of the degree of competitive pressure resulting from foreign banks' entry showed that long-term loans to the first class business clients (average grade 4.4 points) dominated among the other market segments of competitive pressure from foreign banks. Mortgage loans to households (average grade 4.0 points) were mentioned as most important market segments in Estonian banking market, which were influenced by the pressure from foreign banks. Lithuanian, Polish and Romanian respondents' evaluations are somewhat different: short-term loans to the first class business clients were mentioned as the more important competitive market segment (average grades respectively 4.0, 4.2 and 4.0 points). Romanian respondents evaluated highly also long-term loans to other business clients and demand deposits of business clients as important market

segments for competitive pressure from foreign banks (both 4.0 points).

It is quite remarkable that no one Estonian domestic bank answered "Yes" to the question about taking over and/or copying from foreign banks information systems or evaluation techniques. Only one domestic bank answered that the bank had taken over some bank management skills. Also, only one domestic bank mentioned that foreign banks' entry had had an impact on corporate governance of private firms and on monitoring and controlling other firms, and that this impact was positive.

The respondent Estonian and Lithuanian domestic banks are very optimistic about the prospects of the future independent survival, Estonian banks even in the long-term perspective. The evaluated prospects of merging with a foreign bank and/or selling the majority of ownership to a foreign partner are much higher in comparison with merging with a domestic and/or selling the majority ownership to a domestic partner, especially in the long-term perspective (average estimates 4.5 and 4.5 points, and 3.0 and 2.0 points, respectively). The respondent domestic banks in all countries do not see any prospects of a hostile minority or majority stake-bid by a foreign bank.

The respondent Polish and Romanian domestic banks are less optimistic. Merging with another domestic bank was evaluated by respondents as the most likely mid- or long-term prospect and scenario for Polish and Romanian domestic banks (3.8 and 3.6 points, respectively, given by Polish respondents and 3.0 by Romanian respondents). All other prospects are evaluated as not very likely outcomes. Surprisingly, Romanian domestic banks also quite highly evaluated independent survival prospects in long-term perspective (4.0 points).

Concluding comments

It is argued and empirical studies have also shown a positive correlation between the foreign ownership of banks and the stability of the banking sector. The main expected benefits and drawbacks resulting from the entry of foreign banks are well known, but these arguments need additional empirical testing. A special questionnaire was elaborated to this end, using the experience and lessons of other analogous studies. Some important conclusions can be drawn on the basis of this empirical study:

- (1) The most important motives for foreign banks' entry are new business opportunities in all observed countries; following the expansion strategy of the foreign bank was evaluated as the second more important reason for entry to the host country market. The customer following strategy was important for foreign banks' entry in Estonia, but not in other countries.
- (2) The respondents (both domestic and foreign banks) in all countries evaluated highly the macroeconomic and political stability in the host country, also a liberal economic policy, a good potential for the European Union membership, and existing clients and potential new clients as more important host country market specifics. Surprisingly, good tourism and/or industries development opportunities were evaluated in all countries as not important the specifics of the host country market.
- (3) The results of our comparative study suggest that foreign banks have quite different advantages over domestic banks in different countries. In general, the reputation of foreign banks was evaluated as the most important advantage of foreign banks, followed by the range and quality of banking innovations. The main advantage of domestic banks is a better knowledge of customers and closer bank–customer relations.
- (4) Foreign-owned and domestic banks have somewhat different target client groups of activities in the banking markets of the host countries which depend on the host country's specific features. Our study indicates that there are no very significant differences between foreign and domestic banks in the main fields of activities, and corporate financing is the most important field of activity for both domestic and foreign banks in all countries studied.
- (5) All respondent foreign banks' strategies foresee a long-term stay in the host banking markets. Among the most important motives for the stay were mentioned good future perspectives of developing the local client base, also good future prospects of doing business with the home country clients. The mother bank is the main strategic decision-maker in foreign-owned banks; also the Managing Board of the foreign-owned bank alone or with the Managing Board of the mother bank makes some important strategic decisions. The shareholders' assembly and the Managing Board are playing the key role in strategic decision-making in domestic banks.
- (6) Although there are differences among the countries, the transfer of various kinds of know-how from foreign banks has been important, especially for foreign-owned banks' risk management. Also the transfer of information systems and making services/products mix was evaluated by respondents as important know-how transfer from foreign banks. The mother bank in general supports seriously foreign-owned bank operations and activities in the host country market.
- (7) Foreign banks' entry increased significantly the overall competition in the banking

market and reduced the profitability and efficiency of domestic banks in the host country. Polish respondents are of the opinion that foreign banks' entry has forced a significant re-organisation of banks' internal structure and introduction of new banking services/products, as well as improved the quality of existing banking products and services.

- (8) The respondent Estonian and Lithuanian domestic banks are very optimistic about the prospects of the future independent survival, even in the long-term perspective. The evaluated prospects of merging with a foreign bank and/or selling the majority of ownership to a foreign partner are much higher

in comparison with merging with a domestic and/or selling the majority ownership to a domestic partner, especially in the long-term perspective.

- (9) Foreign banks' entry has improved service quality and innovation in the host country's banking sector. For example, the biggest Estonian banks, having a large share of foreign capital, have excelled in their highly developed Internet banking services. The improved bank risk management can also be considered as a positive effect of foreign banks' activities. Foreign capital has made banks more reliable, and borrowing from international markets has become less expensive for banks as well as for their customers.

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UŽSIENIO BANKINIŲ INSTITUCIJŲ VEIKLOS PLĖTRA NAUJOSE EUROPOS SAJUNGOS FINANSŲ RINKOSE

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Santrauka

Šios publikacijos tikslas yra apžvelgti užsienio finansų institucijų įtaką kai kurių naujų ES narių ir Lietuvos komercinei bankininkystei pereinant iš centrinio planavimo į rinkos ekonomiką. Darbe naudoti aprašomasis ir priežastinės lyginamosios analizės tyrimo metodai. Buvo atlikta Lietuvos komercinių bankų vadovų ir darbuotojų apklausa pagal autoriaus parengtą anketą, kuri sudaryta bendradarbiaujant su Talino technikos universiteto, Kopenhagos verslo mokyklos bei Poznanės ekonomikos universiteto mokslininkais. Straipsnyje nagrinėjami kredito rinkų globalizacijos XX ir XXI amžių sandūroje klausimai. Vienas iš svarbiausių struktūrinių XX amžiaus devintojo dešimtmečio pabaigos Vidurio ir Rytų Europos finansų sistemų pokyčių buvo užsienio kapitalo valdomų finansų institucijų įtaka tų šalių bankinėje sistemoje. Daugelis naujų rinkų sumažino prekybos barjerus finansinėms paslaugoms jau nuo XX amžiaus devintojo dešimtmečio pradžios. Padidėjęs užsienio kapitalo dalyvavimas paskatino parengti nemažai mokslinių tyrimų ir studijų, skirtų išsiaiškinti užsienio bankų dalyvavimo įtaką valstybės finansinėse sistemose (Mathieson, 2001; Repullo, 2000; Saavalainon, 1995). Šiame tyrime pateikiama užsienio ir vietos bankų funkcijų analizė Lietuvos valstybės kontekste. Pateiktame darbe tiriama užsienio finansų institucijų siūlomas produktų ir paslaugų asortimentas bei jų palyginimą su vietinių bankų paslaugų ir bankinių prekių pasiūlymais. Skirtumai tarp strategijų, produktų ir paslaugų, vadovavimo procesų bei vadybinės informacinės sistemos užsienio ir vietos bankuose yra gana dideli. Istoriskai užsienio bankų veikla naujose rinkose dažnai buvo ribojama. Daugelyje šalių tokia veikla ir dabar griežtai kontroliuojama. Pavyzdžiui, uždrausta arba apribota atidaryti naujus filialus ar skyrius. Dėl to

užsienio kapitalo bankai sukauptė dalį bankinių aktyvų kitose šalyse (Pomerleano, 2001). Peržvelgus pastarųjų dešimtmečių bankų istoriją mažai yra pasulyje šalių, kurios išvengė mažesnės ar didesnės bankų krizės. Tai paveikė net ir Vakarų Europos ir Šiaurės Amerikos industrines šalis, tačiau finansinės problemos ir krizės padariniai šiose šalyse yra skirtingi. Industrinės šalys į finansinę krizę dažnai patenka dėl makroekonominių problemų (Bonin, 1998). Kylančios ekonomikos šalyse prie ekonominių problemų neretai prisideda vyriausybės veiklos problemos, centrinio banko komercinių bankų priežiūros klaidos bei ydingas bankų valdymas. Todėl tokia bankinės krizės priežastis gausybė sukuria pagrindą praktiniam moksliniam tyrimui ne tik istoriniu, bet ir teoriniu aspektu. Tuo požiūriu Lietuva nėra išimtis Vidurio ir Rytų Europos kylančiose finansų rinkose (Bannerjee, 1995).

Apžvelgiant Lietuvos bankų ir kredito rinkų globalizacijos aspektus reiktų pažymėti, kad tik po Lietuvos Nepriklausomybės atkūrimo buvo pradėta reforma, lėmusi perėjimą į rinkos ekonomiką. Pastaraisiais metais viena iš svarbiausių tebevykstančios transformacijos problemų Vidurio ir Rytų Europos rinkoje yra bankinio sektoriaus restruktūrizacija, ypač atsižvelgiant į artėjančią Europos Sąjungos narystę. Perėjimas prie rinkos ekonomikos nulėmė, jog komerciniai bankai turėjo būti restruktūrizuoti, kad vykdytų tradicines Vakarų šalių bankų operacijas. (Chakravarty, 1998). Straipsnyje taip pat nagrinėjamos kai kurios teorinės ir praktinės priežastys, kodėl užsienio kapitalo bankai ateina ir lieka kitose šalyse. Bankų įsigijimai ir susiliejimai gali būti nagrinėjami kaip techniniai metodai užsienio kapitalui ateinant į šalies šeiminkės finansų rinkas, ir tai nėra šio straipsnio tikslas. Apibendrinant atliktus tyrimus, įvertinami už-

sienio kapitalo bankų konkurenciniai pranašumai ir trūkumai bei galimos Lietuvos kapitalo komercinių bankų strateginės perspektyvos. Taip pat pateikiami užsienio ir nacionalinio kapitalo bankų valdymo principų skirtumai ir panašumai. Gauti apklausos rezultatai parodo, kad užsienio kapitalo valdomi bankai dominuoja stambių įmonių kreditavimo ir paskolų rizikos vadybos srityje, o pagrindinė užsienio kapitalo bankų atėjimo į Lietuvos rinką priežastis yra naujos verslo galimybės. Tai skiriasi nuo panašių apklausų, atliktų Estijoje ir Lenkijoje rezultatų, kur svarbesnės užsienio kapitalo bankų skverbimosi priežastys yra naujų vartotojų ir rinkų ieškojimas. Beje, požiūriai į šiuos reiškinius yra panašūs, apklausiant tos pačios šalies vietas ir užsienio kapitalo bankus. Apžvelgiant rezultatus, matyti, kad naujų verslo galimybių ir naujų klientų paieška vertinama kaip svarbus užsienio kapitalo bankų investicijų motyvas. Be to, kiti užsienio kapitalo bankų pranašumai Lietuvoje yra geresnės paskolų palūkanos, platesnis kapitalo šaltinių prieinamumas, gera reputacija ir aiškesnis rizikos valdymas. Kita vertus, nacionalinio kapitalo bankų pranašumai yra geresnis vartotojų poreikių žinojimas ir ilgalaikiai verslo ryšiai su jais. Beje, toks rezultatas sutampa ir su bankų internacionalizacijos teorija, apžvelgta šiame straipsnyje. Lietuvos rinkoje užsienio ir vietos

kapitalo bankai išskiria skirtingas tikslinių klientų grupes, bei skirtingas veiklos sritis. Gana akivaizdu, kad užsienio kapitalo bankų atėjimas pagerino naujų paslaugų teikimą Lietuvos bankininkystėje. Tai parodo platus bankinių paslaugų spektras, kurį pateikia Vilniaus bankas ir Hansabankas, šiuo metu didžiausi Lietuvos bankai, taip pat turintys ir didžiausią užsienio kapitalo dalį. Pžymėtina, kad iš užsienio kapitalo bankų yra perimta nauja rizikos valdymo patirtis bei šiuolaikiniai vadybos metodai. Atliekant tyrimą paaiškėjo, jog nacionalinio kapitalo bankai yra sunerimę dėl didelio užsienio kapitalo bankų konkurencinio spaudimo artimoje ateityje. Geriausi verslo klientai bei ilgalaikių paskolų rinkos segmentai gali būti prarasti. Kita vertus nacionalinio kapitalo bankai mato savo perspektyvas namų ūkio taupomosiose ir einaomosiose sąskaitose bei vartojimo paskolose. Tyrimo duomenimis, dauguma nacionalinio kapitalo bankų numato visai nepriklausomą veiklą tik netolimoje ateityje, tai yra maždaug iki penkerių metų. Be to, perspektyvos parduoti kontrolinį akcijų paketą užsienio kapitalo partneriui dominuoja, planuojant šių bankų ateitį. Šio tyrimo rezultatai rodo, kad dėl užsienio kapitalo atėjimo į Lietuvos finansų rinkas komerciniai bankai bendrai tapo labiau konkurencingi, o bankininkystės sektorius gerokai patikimesnis.

Įteikta 2004 m. gruodžio mėn.