Accepted Manuscript

Title: Banking business models and the nature of financial crisis

Author: Aneta Hryckiewicz, Łukasz Kozłowski

PII: S0261-5606(16)30124-3
DOI: http://dx.doi.org/doi: 10.1016/j.jimonfin.2016.10.008
Reference: JIMF 1728

To appear in: Journal of International Money and Finance


This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
Banking business models and the nature of financial crisis

Aneta Hryckiewicz*
Kozminski University

Łukasz Kozłowski**
Kozminski University

* Accounting Department, Kozminski University, Jagiellonska Street 57/59, 03-301 Warsaw, Poland, phone number: +48 22 519 21 69, e-mail: ahryckiewicz@alk.edu.pl
** Department of Banking and Insurance, Kozminski University, Jagiellonska Street 57/59, 03-301 Warsaw, Poland, phone number: +48 22 519 21 69, e-mail: lkozkowski@alk.edu.pl

The authors would like to thank the anonymous referees as well as the Associate Editor, Kasper Roszbach, for their constructive feedback. The project has been funded from National Science Center based on the decision of UMO-2014/13/B/HS4/00455.

Highlights

- We analyze the heterogeneity between business models among systematically important banks since 2000.
- We estimate the risk-return profile of systemically important banks.
- Our analysis of banking business models relies on a portfolio theory.
- We document that the model with the lowest individual risk appeared to be the most systemic risky during the mortgage crisis.
- We find that the systemic risk is mostly related with the funding structure.
- The regulators should place greater emphasis on bank liability structure instead of relying solely on asset structure, while reforming the banking regulations.

Abstract

In our paper, we analyze heterogeneity among the various business models that incorporate systemically important banks in 65 countries over the period of 2000 to 2012. For the first time, we identify true banking strategies in a portfolio context, that is, consisting of various combinations of bank assets and funding sources. Next, we estimate the way distinct strategies have affected bank profitability and risk before the crisis, as well as their impact on the mortgage crisis. We demonstrate that during the mortgage crisis, the investment model indicated the lowest individual risk and highest systemic risk simultaneously. Consequently, we document that the funding structure was responsible for the systemic effect of the mortgage crisis. Further, we demonstrate that countries with systemically important banks that rely on investment activities experience a greater, but more short-lived decline in GDP, when compared to countries that have predominantly traditional banking activities.
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات