The role of the banking affiliates at the Balkan countries for the Greek banks

Simeon Karafolas
Department of Financial Applications
Technological Educational Institute of Western Macedonia
skarafolas@yahoo.gr

Abstract
The paper proposes an examination of the role of the banking affiliates at the Balkan countries for the Greek banks, parents of those affiliates. Greek banks created an important banking network in the Balkan countries since the decade of 1990. This network is extended to countries Albania, Bulgaria, FYROM, Romania, Serbia but also Turkey. This network took the form either of affiliate or banking branch and representative office. Greek banks tried to take a part of the local banking market in the former socialist countries after the change of political regime and the opportunities that appeared. Their policy followed or even prepared and helped the extension of other Greek companies in several sectors. The extension to Balkan countries registered a different banking policy in comparison to previous decades in which Greek banks followed mainly the immigrant population. The paper examines the role of this banking network, mainly through the affiliates for which data is available. The examination is based especially on the balance sheet elements.

Keywords: Banks, Greece, Balkan countries, balance sheet, financial statement

JEL Classification: G21, F21, F23,

Introduction
Greek banking presence abroad appears the decade of 60’s as a consequence of the opening of Greek economy to the world economy. From the decade of 70’s, Greek banks began to have a significant presence abroad that can be distinguished in two main periods (according to the reasons of banking internationalization, Karafolas, 1986):

- The first period till the end of 80’s
- The second period that begins from the decade of 90’s.

During the first period Greek banks followed the Greek immigrants to the host countries (Karafolas 1986, 1988, 1998). The main target was to serve Greek immigrants abroad: by collecting their saving and transfer it in Greece and by offering loans for small business financial needs. Greek banking presence was not related, mainly, to the trade, Greek investments abroad, and international financial markets as it is the case for multinational banks, (Karafolas 1986). National Bank of Greece (NBG) was an exception but even this bank did not have the characteristics of other multinational banks.

The second period, the Greek banking presence followed much more the reasons of presence abroad applied to multinational banks. Since the decade of 90’s Greek banks have a strong presence in the Balkan countries, mainly to the ex-socialist countries. The principal characteristic is that Greek banks follow the Greek companies who
invested to these countries and have important trade relations. The extension of Greek banks to Balkan countries differentiates the strategy they followed the previous period. This strategy is different in comparison to other host countries as well, mainly because reasons for banking presence are different.

Many issues can be examined with regard Greek banking presence in Balkan countries, such as reasons for this presence, banking penetration to the local banking markets. This paper examines the structure of the balance sheet and income statement of affiliates of Greek banks in these countries. This examination can provide us of some ideas on the policy of Greek banks. Have they a particular policy with regard banking activities, is there a homogenous comportment of affiliates, of Greek parent banks or host countries that can appear through banking activities?

The paper examines in the section 2 the banking network created in the Balkan countries; section 3 discusses the methodology and data, section 4 presents the results found, while section 5 offers the conclusions.

Greek banking network in Balkan countries

Forms of banking presence abroad

Banking internationalization can be either indirect through corresponding banks in host countries or autonomous presence that takes several forms. This paper is interested to the autonomous Greek banking presence.

The autonomous banking presence abroad can be of three forms (Karafolas 1986):

Affiliate, Branch, Representative office.

- Affiliate bank is a banking institution, under the law of the host country, in which the parent bank has the majority of the stock capital or it has the whole capital. For the parent bank, the affiliate may be the result of a new institution or the acquisition of shares of an existed, already, one. The affiliate publishes data of balance sheet and income statement.

- Branch is directly related to the parent company. It depends on the home country law and the parent bank is entirely responsible for its activities. Branch’s activities are registered directly to parent’s bank balance sheet and income statement. Therefore the branch does not publish balance sheet and income statement data.

- Representative office is a bureau created from the parent bank in order to give information on the banking system, economic and political situation of the host and home countries to parent’s company clients. Representative office cannot provide banking services.

Greek banking network in Balkan countries

Six Greek banks have a network in five ex-socialist Balkan countries and Turkey. These banks are: Alpha Bank, Emporiki Bank, Eurobank, Marfin Egnatia Bank, National Bank of Greece and Piraeus Bank, (table 1).
Greek banks created a network in the following Balkan countries mainly ex-socialist: Albania, Bulgaria, FYROM, Romania, Serbia and Turkey, (table 1).

**Table 1**

The Greek banking presence in these countries dates since 1993, table 1. After 1993, almost every year one or more Greek banks open a branch or an affiliate. The first banking network was created in Bulgaria. In the three next years Greek banks created a network in Romania and Albania. In FYROM and Serbia the Greek banking presence appeared later. Political problems with FYROM and political situation in Serbia may be considered as a main reason for this delay.

Greek banking presence took the form of affiliate and branch mainly. The form of affiliate bank is the most important according to the number of branches they have in the host countries. On 2010, affiliates’ banking network had in total 2471 branches, mainly due to the Finansbank network of 530 branches in Turkey. Within Greek banks, National Bank of Greece, Pireaus Bank, Emporiki Bank and Ionian Bank have been the pioneers of the extension to Balkan countries considering the dates on presence in the host countries. With regard the total number of branches on 2010, NBG with 985 branches and Eurobank with 676 have the bigger network followed by those of Pireaus and Alpha Bank, table 1.

Within host countries, Romania hosts the biggest network of 843 agencies owned to 6 Greek banks, table 1. Turkey, Bulgaria have also important branches network.

**Methodology, sample, data**

A classification of balance sheet and statement of income was considered in order to distinguish the orientation of banks’ activities and thus, their policy. Elements of balance sheet and income are used for a financial ratio analysis as well. Balance sheet structure is examined through assets and liabilities elements. Assets are grouped in the following categories:

- Loans to customers
- Loans to financial institutions
- Bonds and treasury bills
- Other assets

Available funds, fixed assets and divers assets were considered as “Other assets”.

Liabilities are grouped in the following categories:

- Deposits of customers
- Deposits of the financial institutions
- Capital and reserves
- Other liabilities
Income is examined on the basis of the following two categories:

- Total income by distinguishing the interest net income and other operating income, mainly due to commissions and fees.
- Non-interest expenses by distinguishing personnel expenses and other non-interest expenses.

Financial ratio analysis is examined on the basis of profitability level and capital adequacy.

Profitability is examined through the following categories: Return on average equity, Return on average assets

Capital adequacy is examined under two ratios: Equity on assets, Equity on loans

Within the examined sample, 19 affiliates of Greek banks were considered. Two of them are Albanian banks, four are Bulgarian banks, two are in FYROM, five are in Romania, four are in Serbia and two in Turkey. Branches created by Greek banks were not considered because they do not publish autonomous balance sheet and income statement.

The examination was concentrated on one year. The examined year has been 2010. Even with one year statement we can have a sufficient image of the balance sheet and income structure. Further, this year may indicate problems that appear because of the economic and financial crisis.

Data of the sample have been provided by banks’ annual reports and Bankscope.

Results

Importance of affiliates

Table 2 presents the balance sheet structure for 19 affiliates of Greek banks in 6 Balkan countries (Albania, Bulgaria, FYROM, Romania, Serbia and Turkey).

Table 2

Banks’ assets show a strong differentiation with regard importance of these affiliates. Finansbank, the Turkish affiliate of National Bank of Greece, (NBG), is far the most important affiliate since it concentrates 36,6% of consolidates assets of the examined affiliates, (table 3).

Table 3

The second more important affiliate, the Alpha Bank Romania concentrates 10,8% of consolidated assets. A strong concentration appears within affiliates since 5 more important banks have 70% of consolidated assets.

Within countries, Turkey’s affiliates concentrate 40,9% of consolidated assets, due mainly to the importance of Finansbank. Affiliates in Romania concentrate the second more important part of
assets with 27% of assets. The rest of assets is provided by Bulgarian affiliates (20.7%), Serbia (6.8), FYROM (2.7%) and Albania (1.8%). We must notice nevertheless that this image corresponds only to the affiliates and not to the total of banking activities since the branches’ activities are not registered to this table.

Within banks, NBG affiliates concentrate more than the half of banking assets with 51.3% of consolidated assets. That corresponds to a policy of strong presence in the host country showed not only by the Finansbank in Turkey but also with this of United Bulgarian Bank in Bulgaria and Banca Romaneasca in Romania, table 3. Within other banks, Eurobank’s affiliates concentrate 22.3% of consolidated assets followed by those of Alpha bank (13%), Piraeus Bank (12%), Emporiki Bank (1%) and Marfin –Egnatia Bank (0.3%).

The balance sheet structure

The consolidated balance sheet shows on assets that loans to non bank customers concentrate the majority of assets with 65% of consolidated assets, (table 4). Loans to financial institutions, (interbank market), have 8% of assets; therefore 73% of assets concern loans. Bonds and Treasury Bills have 13% of assets while 13% concern other assets. On liabilities we observe an analogous since deposits of non bank customers are 54% of consolidated liabilities while deposits through the interbank market are 19%. Both deposits concentrate 73% of liabilities. The rest of consolidated liabilities are shared between banks’ own capital and other liabilities, (table 4).

Table 4

The structure of consolidated assets does not reflect the structure of all affiliates. For 10 of them, part of loans to customers in total assets is higher in comparison to the consolidated structure. For other 7, loans through interbank market occupy a much higher part in comparison to consolidated structure. Within all banks only in two of them loans to non bank customers are less than 50% of assets. This image shows that the presence of Greek banks in these host countries is oriented to serve companies in the host market; this target seems to be achieved by them, at least by a strong majority of them.

The structure of liabilities for every bank, as well, shows differentiations. For only 6 banks the part of customer’s deposits is higher than the consolidated one. For 6 other the structure is quite similar to the consolidated while for the rest of banks, customers’ deposits are much lower than the consolidated. If we consider the importance of non bank customers’ deposits in the liabilities, regardless to the consolidated structure, (that is influenced by the Finansbank participation), we observe a rather well establishment of Greek banks in the local markets since only for 5 banks those deposits are lower than 50% of liabilities. A country examination does not show a differentiation within countries. It is rather a question of the bank’s policy. We observe on the contrary that interbank deposits tend to occupy the part of non bank customers’ deposits.

One question was if the extended network influenced the structure, mainly of liabilities, by giving the possibility to collect deposits
of non bank customers. The number of branches does not seem to have a significant role since banks with smaller network have on assets, and especially on liabilities, very significant participation of loans and deposits from non bank customers.

Considering the deposits received from non-bank customers and loans accorded to them, it seems that the group of affiliates is rather loans dominated. Consolidated loans to no banks customers are 118% of non bank customers’ deposits. Within banks, for 11 of them loans to non bank customers are higher to deposits of non banks customers and for 3 of them lower. The part non covered by deposits is covered mainly from the interbank market (banks’ deposits), table 2.

The income statement analysis

Structure of income revenue and non-interest expenses is presented in table 5. Total income is divided to Net Interest Income and Other Operating Income.

Table 5

Net interest income provides 59% of total income against 41% provided by other operating income, (table 6).

Table 6

Finansbank profited more than the other banks; this bank holds 30,7% of total income, (table 7). Stedionica Banca, the Eurobank affiliate in Serbia, presents an interest case since this bank holds 22,5% of total income that is provided mainly by non operating income.

Table 7

Net interest income is the main revenue source for twelve affiliate banks while other operating income is the main revenue for five affiliates.

Non-interest expenses are mainly due to non personnel expenses, 75% on a consolidated basis; personnel expenses participate only for 25% on total expenses, (table 6). This structure reflects 17 affiliates against only one for which personnel expenses are more important and one other for which the two categories of expenses are almost equal. The recent acquisition of some banks and the need of restructuring of the bank may offer an answer to this image; another reason can be the low level of salaries on theses banking markets.

A financial ratio analysis

The analysis of balance sheet and income structure allowed observing the significance of diver categories of banking activities. A financial ratio analysis will permit to have a comparative position of these banks. Two categories of financial ratios are examined, table 8: the capital adequacy and the profitability ratios.

The ratio Equity/Assets expresses the equity multiplier. A high ratio indicates an under-leveraged situation (Brigham, E. and Gapenski, L., 1997). The same indication is offered from the ratio Equity/Loans. The under-leveraged situation suggests that banks used only a part of their possibilities of growth and therefore good
opportunities of growth must be expected. With regard the average of affiliates, four banks are distinguished as under-leveraged. These are banks of four different countries. Consequently there is no concentration of opportunities’ growth only to one or two countries. From the rest of 15 banks, six have quite low ratios comparatively to the average ratios, table 8.

Table 8
Profitability is examined on two different parameters; the return on assets and the return on equity, table 8. Within 19 banks, five of them in four countries have negative results as a consequence of economic and financial crisis; the rest fourteen banks have positive results.

With regard return on assets, under the exception of banks with negative results, only one presents a ratio lower of the average. Five banks present a ratio multiple to the average, (table 8). A similar image is observed the ratio of return on equity. Most of banks have a ratio higher to the average while for six of them it is multiple to the average, (table 8).

Summary and Conclusions

The scope of the paper was to examine the activities and results of Greek banks in the Balkan countries. The paper shows six Greek banks having affiliates in six Balkan countries, five ex-socialist, Albania, Bulgaria, FYROM, Romania, Serbia plus Turkey. Since 1993 they began to create this network. It took the form, mainly, of affiliate banks and branches. Affiliates constitute the bigger form of presence regarding banking agencies and activities. For the paper’s scope only affiliates have been considered as having the possibility to provide balance sheet and income data. The paper examined the importance of those affiliates and their comportment with regard banking activities offered by the balance sheet structure. This comportment is issued by the specific bank policy. The paper provided also a financial ratios’ analysis in order to examine the profitability and capital adequacy of these banks.

Numerous are the paper’s findings:

A concentration of assets appears clearly since one bank, Finansbank in Turkey, has almost 37% of consolidated assets while the five most big of them concentrate 70% of total assets. Analogous conclusions concern the income of those affiliates.

Results of balance sheet, income and profitability do not distinguish a Greek parent bank having her affiliates with a particular comportment. A Greek parent bank can have affiliates presenting different structures and results in several of these host countries. No particular results appear for countries as well.

The basis of activities for most of the Greek affiliates is “services to non bank customers” since loans and deposits to this category is the most important category of the balance sheet. Interbank market is the most important category only in few cases for assets and liabilities.
Network’s growth does not appear to influence the structure of balance sheet.

For most of affiliates, interest income and non-interest expenses provide the main source of revenue and expenses.

Analysis on profitability and capital adequacy permit to distinguish a small number of affiliates with better results than the majority and some of them with negative results. A relation to a particular country or to a Greek parent bank does not appear. Excellent results on profitability are not translated automatically to excellent results on capital adequacy.

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Pireaus Bank, Annual Reports of years 1995-2010
Table 1: Banking network of affiliates of Greek banks in Balkan countries, end of 2010

<table>
<thead>
<tr>
<th>Bank</th>
<th>Country</th>
<th>Affiliate bank</th>
<th>Opening Year</th>
<th>Number of branches</th>
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<td>National Bank of Greece</td>
<td>Bulgaria</td>
<td>United Bulgarian Bank AD</td>
<td>2000</td>
<td>249</td>
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<td></td>
<td>Romania</td>
<td>Banka Romaneasca SA</td>
<td>2003</td>
<td>140</td>
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<td>FYROM</td>
<td>Stopanska Banka AD</td>
<td>2000</td>
<td>66</td>
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<td>Turkey</td>
<td>Finansbank</td>
<td>2006</td>
<td>530</td>
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<td>Albania</td>
<td>Commercial Bank of Greece (Albania) SA</td>
<td>1999</td>
<td>24</td>
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<td></td>
<td>Bulgaria</td>
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<td>Serbia</td>
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<td></td>
<td>Turkey</td>
<td>Eurobank Tekfen</td>
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<td>Total</td>
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Table 2: Balance sheet of affiliates of Greek banks in Balkan countries, end 2010 (million euros)

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<tr>
<th>Bank</th>
<th>Host country</th>
<th>Parent Bank</th>
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<th>Piraeus</th>
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<th>Piraeus</th>
<th>Post Bank</th>
<th>Piraeus</th>
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<th>Loans to Financial Institutions</th>
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<th>Other Assets</th>
<th>Total Assets</th>
<th>Deposits of Customers</th>
<th>Deposits of Financial Institutions</th>
<th>Equity &amp; Reserves</th>
<th>Other Liabilities</th>
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25-27 May 2012
Table 2: Balance sheet of affiliates of Greek banks in Balkan countries, end 2010 (million euros)

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<tr>
<th>Alpha Bank</th>
<th>Banca Romaneasca</th>
<th>Piraeus Bank</th>
<th>Marfin Bank</th>
<th>Banc Post Bank</th>
<th>Piraeus Bank</th>
<th>Stedionica Banca</th>
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<td>Marfin</td>
<td>Eurobank</td>
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Source: Bureau van Dijk, (2011) and Annual Reports of Banks, divers years, (author’s calculations)
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<th>United Bulgarian Bank</th>
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<th>Bulgaria Post Bank</th>
<th>Piraeus Bank</th>
<th>Stopanska Bank</th>
<th>Alpha Bank</th>
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Table 3: Part of bank’s balance elements on consolidated balance sheet elements (%)

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<th>Marfin Bank</th>
<th>Banc Post</th>
<th>Piraeus Bank</th>
<th>Beograd</th>
<th>Jubanca</th>
<th>Stedionica Banca</th>
<th>Nacionalna</th>
<th>Finansbank</th>
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Source: Table 2, author’s calculations
Table 4: Part on bank’s asset-liabilities, (%)

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### Table 4: Part on bank’s asset-liabilities (%)  

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<td>57%</td>
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<td>64%</td>
<td>77%</td>
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<td>31%</td>
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<td>26%</td>
<td>58%</td>
<td>21%</td>
<td>8%</td>
<td>17%</td>
<td>12%</td>
<td>10%</td>
<td>5%</td>
<td>24%</td>
<td>20%</td>
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</tr>
<tr>
<td>7%</td>
<td>12%</td>
<td>14%</td>
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<td>11%</td>
<td>19%</td>
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<td>23%</td>
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</tr>
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<td>10%</td>
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<td>10%</td>
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<td>0%</td>
<td>21%</td>
<td>33%</td>
<td>12%</td>
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<td>100%</td>
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<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td>100%</td>
<td>100%</td>
<td>100%</td>
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</tr>
</tbody>
</table>

Source: Table 2, author’s calculations
Table 5: Income statement analysis

<table>
<thead>
<tr>
<th>Bank</th>
<th>Host country</th>
<th>Parent Bank</th>
<th>Total Income</th>
<th>Net Interest Income</th>
<th>Other Operating Income</th>
<th>Non Interest Expenses</th>
<th>Personnel Expenses</th>
<th>Other Non-Interest Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emporiki Bank</td>
<td>Albania</td>
<td>Albania</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Piraeus Bank</td>
<td>Albania</td>
<td>NBG</td>
<td>29</td>
<td>26</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>10</td>
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<tr>
<td>United Bulgarian Bank</td>
<td>Bulgaria</td>
<td>NBG</td>
<td>249</td>
<td>193</td>
<td>56</td>
<td>28</td>
<td>9</td>
<td>65</td>
</tr>
<tr>
<td>Emporiki Bulgaria Bank</td>
<td>Bulgaria</td>
<td>Emporiki</td>
<td>13</td>
<td>11</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Bulgaria Post Bank</td>
<td>Bulgaria</td>
<td>Eurobank</td>
<td>166</td>
<td>138</td>
<td>28</td>
<td>32</td>
<td>32</td>
<td>50</td>
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<tr>
<td>Piraeus Bulgaria Bank</td>
<td>Bulgaria</td>
<td>Piraeus</td>
<td>82</td>
<td>66</td>
<td>16</td>
<td>38</td>
<td>38</td>
<td>57</td>
</tr>
<tr>
<td>Stopanska Bank</td>
<td>FYROM</td>
<td>NBG</td>
<td>57</td>
<td>38</td>
<td>19</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Alpha Bank</td>
<td>FYROM</td>
<td>Alpha</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Idem. table 2, author’s calculations
Table 6: Structure of Income and Expenses, (%)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Emporiki Bank</th>
<th>Tirana Bank</th>
<th>United Bulgarian Bank</th>
<th>Emporiki Bank</th>
<th>Bulgaria Post Bank</th>
<th>Piraeus Bank</th>
<th>Stopanska Bank</th>
<th>Alpha Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country</td>
<td>Albania</td>
<td>Albania</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>FYROM</td>
<td>FYROM</td>
</tr>
<tr>
<td>Parent Bank</td>
<td>Emporiki</td>
<td>Piraeus</td>
<td>NBG</td>
<td>Emporiki</td>
<td>Eurobank</td>
<td>Piraeus</td>
<td>NBG</td>
<td>Alpha</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>86%</td>
<td>90%</td>
<td>78%</td>
<td>88%</td>
<td>83%</td>
<td>80%</td>
<td>67%</td>
<td>92%</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>14%</td>
<td>10%</td>
<td>22%</td>
<td>12%</td>
<td>17%</td>
<td>20%</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Non Interest Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>40%</td>
<td>29%</td>
<td>30%</td>
<td>45%</td>
<td>39%</td>
<td>24%</td>
<td>38%</td>
<td>41%</td>
</tr>
<tr>
<td>Other Non-Interest Expenses</td>
<td>60%</td>
<td>71%</td>
<td>70%</td>
<td>55%</td>
<td>61%</td>
<td>76%</td>
<td>63%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Source: Table 5, author’s calculations
Table 7: Part of bank’s Income and Expenses elements to consolidated income and expenses elements, (%)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Emporiki Bank</th>
<th>Tirana Bank</th>
<th>United Bulgarian Bank</th>
<th>Emporiki Bulgaria</th>
<th>Piraeus Bulgaria</th>
<th>Stopanska Bank FYROM</th>
<th>Alpha Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country</td>
<td>Albania</td>
<td>Albania</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>FYROM</td>
<td>FYROM</td>
</tr>
<tr>
<td>Parent Bank</td>
<td>Emporiki</td>
<td>Piraeus</td>
<td>NBG</td>
<td>Emporiki</td>
<td>Eurobank</td>
<td>Piraeus</td>
<td>NBG</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>0.2%</td>
<td>0.8%</td>
<td>6.6%</td>
<td>0.3%</td>
<td>4.4%</td>
<td>2.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>0.3%</td>
<td>1.2%</td>
<td>8.7%</td>
<td>0.5%</td>
<td>6.2%</td>
<td>3.0%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td>0.1%</td>
<td>0.2%</td>
<td>3.6%</td>
<td>0.1%</td>
<td>1.8%</td>
<td>1.0%</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Non Interest Expenses</strong></td>
<td>0.2%</td>
<td>0.6%</td>
<td>4.0%</td>
<td>0.5%</td>
<td>3.5%</td>
<td>1.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Personnel Expenses</strong></td>
<td>0.3%</td>
<td>0.7%</td>
<td>4.8%</td>
<td>0.9%</td>
<td>5.5%</td>
<td>1.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Other Non-Interest Expenses</strong></td>
<td>0.2%</td>
<td>0.6%</td>
<td>3.7%</td>
<td>0.3%</td>
<td>2.8%</td>
<td>1.6%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

| Alpha Bank Romania Banca Romaneasca Banca Egnatia Banc Post Beograd Jubanca Stedionica Banca Nacionalna Finansbank Eurobank Tekfen Total |
|----------------|-----------------|-----------------|------------------------|------------------|------------------|-----------------------|------------------|------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|-----------------|
| Romania Alpha | NBG Piraeus Marfin Eurobank Piraeus Alpha Eurobank Eurobank NBG Eurobank |
| 5.2%          | 2.2%            | 5.7%            | 0.1%                   | 5.3%             | 2.9%             | 0.6%                  | 22.4%            | 0.3%             | 30.6%           | 8.4%            | 100.0%           |
| 7.2%          | 3.1%            | 3.9%            | 0.2%                   | 4.2%             | 0.8%             | 1.0%                  | 3.1%             | 0.2%             | 42.1%           | 12.4%           | 100.0%           |
| 2.4%          | 1.0%            | 8.3%            | 0.1%                   | 6.9%             | 6.0%             | 0.0%                  | 49.9%            | 0.4%             | 14.3%           | 2.6%            | 100.0%           |
| 3.7%          | 2.7%            | 4.0%            | 0.1%                   | 6.0%             | 4.6%             | 1.9%                  | 34.8%            | 0.4%             | 26.8%           | 2.8%            | 100.0%           |
| 6.0%          | 4.8%            | 3.9%            | 0.3%                   | 7.9%             | 1.4%             | 2.9%                  | 3.1%             | 0.7%             | 46.8%           | 6.0%            | 100.0%           |
| 2.9%          | 2.0%            | 4.0%            | 0.1%                   | 5.4%             | 5.7%             | 1.5%                  | 45.4%            | 0.3%             | 20.2%           | 1.8%            | 100.0%           |

Source: Table 5, author’s calculations
## Table 8: Financial Ratios analysis

<table>
<thead>
<tr>
<th>Bank</th>
<th>Emporiki Bank</th>
<th>Tirana Bank</th>
<th>United Bulgarian Bank</th>
<th>Emporiki Bank</th>
<th>Bulgaria</th>
<th>Piraeus Bank</th>
<th>Stopanska Bank</th>
<th>Alpha Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country</td>
<td>Albania</td>
<td>Albania</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>Bulgaria</td>
<td>FYROM</td>
<td>FYROM</td>
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<tr>
<td>Parent Bank</td>
<td>Emporiki</td>
<td>Piraeus</td>
<td>NBG</td>
<td>Emporiki</td>
<td>Eurobank</td>
<td>Piraeus</td>
<td>NBG</td>
<td>Alpha</td>
</tr>
</tbody>
</table>

### Profitability Level

<table>
<thead>
<tr>
<th>Bank</th>
<th>Return on Average Equity (ROAE)</th>
<th>Return on Average Assets (ROAA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Bank</td>
<td>-3.32, 12.01, 6.04</td>
<td>-13.88, 4.57, 8.8</td>
</tr>
<tr>
<td>Banca Romaneasca</td>
<td>0.42, 1.71, 0.82</td>
<td>-1.41, 0.57, 1.25</td>
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<tr>
<td>Piraeus Bank</td>
<td>10.79, 15.37</td>
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<tr>
<td>Banc Egnatia</td>
<td>4.57, 8.8</td>
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<tr>
<td>Banc Beograd</td>
<td>1.25, 1.31</td>
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<tr>
<td>Banc Jubanca</td>
<td>-2.59</td>
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### Capital Adequacy

<table>
<thead>
<tr>
<th>Bank</th>
<th>Equity / Total Assets</th>
<th>Equity / Net Loans</th>
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<tbody>
<tr>
<td>Alpha Bank</td>
<td>14.01, 14.57, 14.64</td>
<td>16.01, 21.85, 18.86</td>
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<tr>
<td>Banca Romaneasca</td>
<td>10.6, 12.4, 14</td>
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<tr>
<td>Piraeus Bank</td>
<td>12.47, 17.8</td>
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</tr>
<tr>
<td>Banc Egnatia</td>
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<td></td>
</tr>
<tr>
<td>Banc Beograd</td>
<td>12.47</td>
<td></td>
</tr>
<tr>
<td>Banc Jubanca</td>
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<td></td>
</tr>
<tr>
<td>Banc Finansbank</td>
<td>17.8</td>
<td></td>
</tr>
</tbody>
</table>

### Source

Source: Idem. table 2, author’s calculations