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STATE-OWNED, ACQUISITION OR GREENFIELD BANKS IN THE NEW EU MEMBER STATES. A POST-CRISIS ANALYSIS

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Abstract: *The political and economic changes taking place at the end of the 20th century have provided Western European banks the opportunity to enter into Central and Eastern European (CEE) markets. Their entry was made either by greenfield investment or by acquisition of existing domestic banks. The motivations for the entry decision were various, e.g. managerial decisions, tightening profit margins in home markets, challengers imitation, profit-maximizations, looking for new customers in new markets, or keeping and extending relations with existing customers on the new markets where they are implanted. The expansion was amplified by the deregulation, the global capital expansion and the emergence of a single currency, throughout a period of prosperity and economic growth lasting for almost two decades (1990-2008). Until the crisis, changes in the CEE banking markets mainly concerned the increasing share of foreign capital (in market share, assets, number of branches and employees) along with the diminishing importance of state-owned banks. After 2008, the process displays new features: the restructuring of banks, mergers or strategic acquisitions, reducing operations in certain countries or even exits, adjusting the number of units and employees, improving efficiency and profitability indicators etc. Domestic banks, both private and state-owned, have bridged the gap (at least in terms of efficiency) separating them from the leaders, i.e. mostly the subsidiaries of large international banks. Apparently, greenfield banks are losing the importance they had in the preceding period (1990-2008). This paper aims at investigating the relation between foreign banks' mode of entry into the emerging markets of CEE (i.e. acquisition vs greenfield) and the strategies' results on those markets, before and after the crisis. Although foreign banks have implemented common strategies at group level, often dependent on the entry mode, these strategies were influenced by the specific features of the host markets and, quite frequently, by transformations occurred within home markets. We found that the entry is relevant for the development of the banks, but less than in the previous period, i.e. when banks entered the emerging markets of CEE*.

Keywords: foreign banks; entry mode; CEE, EU member states; post-crisis.

JEL Classification: G21; F36; G34; G01; L10.

1. Introduction

It is a matter for debate how foreign banks build their market entry or input strategy, starting with motivation, access (and continuation) costs, expectations of market development in that country, market share planned to be achieved (Ngoc-Anh Vo Thi and Vencappa, 2008). However, the decision on the entry into certain market must take into account the law and the host states' authorities' expectations. Thus, there are cases where the host state expects

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to keep under its control a significant part of domestic capital banks, and prefers to let foreign banking groups enter the market as subsidiaries or branches of parent banks. In other situations, the authorities desire to quickly improve the banking system, possibly by selling some local banks to major investors abroad, thus obtaining both funds by selling their shares and, in the same time, aiming to increase competitiveness in the national banking system (Hurduc & Nitu, 2011).
This study is aiming to analyse the actions of foreign banks in the Central and Eastern European (CEE) countries, before and after the crisis, looking to the evolution of the main banks in six of the most representative countries of the region, focusing on their “input” or “access” strategies in the market. The paper is organized as follows: in the next (second) part we briefly review the literature on bank capital entry modes, strategies and effects; in the third part, we present the research methodology and discuss the results; and finally, we reach a conclusion on the current state of the banking market in CEE countries.
This document resumes some of the themes from our papers presented at international conferences in Ostrava, Czech Republic and Oradea, Romania, (Badulescu and Moruţan, 2016a), (Badulescu and Moruţan, 2016b) to which we refer in the text.

1. A literature review regarding motives, behaviours and effects of the foreign banks’ entry on the emerging markets

The literature points out various reasons or causes on bank entries on foreign markets. A first set of causes is included in the managerial decision or the so-called empire-building tendencies of banks (but also found in the case of other large companies). In this set, we find a convergence of the firm’s growth strategies with socio-psychological elements of top managers: power, social status, compensation, prestige (Baumol, 1959), (Jensen, 1986). Avoiding to recognize the failure of decisions, legislative restrictions or narrowing profit margins on the domestic market, managers have to face the alternative - either to decrease the activity and layoffs, or to enter into foreign markets (Berger, DeYoung, Genay, & Udell, 2000).
Another set of causes could be subsumed into a ”profit-maximization strategy”. These are based on economies of scale and scope that can develop in international expansion, particularly, through technological advances, changing market possibilities and exploiting some traditional links or relations (commercial, historical, linguistic). In this category we can add opportunities brought by the huge new markets (ex. BRICS) that enables scale economies to gain new meanings and dimensions.
Finally, between reasons or causes to enter a foreign market we find the need to acquire new customers on new markets or to maintain (or expand) the relationship with clients onto the new markets where they are rooted or “the follow customer strategy” (Konopielko, 1999). This strategy is not just about increasing the volume of transactions with those international customers, but it also means diversification of services, especially cross-border services. Ultimately, the expansion of foreign banks could entail additional customers from their home countries seeking new opportunities in markets already known to their bank-partner (Badulescu and Badulescu, 2008).
These reasons are translated, in practical terms, into entry strategies as: follow the client strategy, lead your client overseas strategy, look for a new market strategy or follow your leader strategy (Arnold, 2003), (Petrou, 2009), (McIntyre & Chandrasekhar, 2013), (Hurduc & Nitu, 2011).
The first step taken into entering a new market is, surprisingly, the lack of a physical presence in the target market, by establishing cross-border lending relationships. However, for an effective expansion we refer, therefore, to the two main forms of entry into a foreign market: (1) greenfield investment or *de novo* bank, i.e. the establishment of an institution from scratch, in the host country, in most cases, under the name of parent company; and (2)

acquisition of a bank, or obtaining a control position in a local institution (Badulescu and Moruţan, 2016b).

A greenfield investment involves the initial establishment of a branch (agency) or a local subsidiary of the foreign bank. A branch of a foreign bank does not act as an independent legal entity, but as a part of the parent bank. This can provide a full range of banking services while operating under the basis of the parent bank capital requirements.

A subsidiary of a foreign bank is a separate legal entity, rightfully registered in the host country, where the foreign investor has a majority of shares. In terms of costs of the establishment, a branch is less expensive than a subsidiary since there are no incorporation costs; therefore there is no need for a board of directors etc. However, as part of the parent bank, a branch requires attention in terms of supervision, as this subsidiary's involvement in major unauthorized transactions could lead to serious issues for the parent bank. Instead, a subsidiary may fail even if the parent bank is solvable and vice-versa, because is an independent entity. It is clear that the argument is somehow wire-drawn: the owned entity cannot act in a different way than the owner, unless in exceptional cases and on short term. Moreover, a major constraint for a subsidiary is that it can be involved in lending activity based only on its own capitalization, therefore is not suitable for larger lending (retail or corporate) (Ngoc-Anh Vo Thi & Vencappa, 2008).

The advantages of purchasing a local bank are part of a different strategy. For example, this "entry" provides access to local information, a functional retail banking network which will ensure a fast growth on the home market, resources to the local currency. Overall, this type of input or "entry" is convenient for a multinational banks should they know very few things about the local markets.

A foreign bank may choose to purchase a bank with poor results from a new market for two main reasons. First, the purchase price would be lower than for a bank with better financial results. The second aspect is the strategic orientation of a network of branches that will support the new business in all regions of the country. This network would be too costly to start from scratch compared to purchasing a domestic bank, which has already developed such a network (Hurduc and Nitu 2011).

In terms of efficiency, foreign banks bring on emerging markets superior lending technologies, risk management and marketing solutions. Gradually, the transfer of expertise, organization, technology and qualified personnel is taking place in domestic banks as well, reducing rent extraction phenomena and monopolistic behaviour. Despite all these benefits, there are critical opinions stating that the foreign banks' efficiency is a result of cherry-picking behaviours, leaving the less interesting clients, such as small and medium-size enterprises (SMEs) to domestic banks (Badulescu, Simut and Badulescu, 2014).

There is evidence questioning the scale of these destabilizing phenomena, pointing out that foreign banks have a stabilizing effect on aggregate lending during local crises. Especially in the case of CEE markets, De Haas and Van Lelyveld (2006) and De Haas (2014) found that banks acquired by foreign capital, unlike independent local banks, have additional access to the resources of parent banks, being able to overcome difficult moments and even capitalize the opportunities given by a temporary shortage in the credit supply from local banks. From this study's point of view, the entry mode counts: green-field banks seem to be (by their subsidiaries - foreign legal entities) more likely to transmit negative shocks from international markets to host markets compared to foreign banks acquiring important domestic banks.

2. Method and results

The objective of our research is to investigate foreign banks' actions in CEE, before and after the recent crisis. In particular, we were interested to find out if there are differences in the evolution and behaviour of foreign banks in the banking systems in CEE, based on their mode of entry (greenfield vs acquisition), respectively, between those banks and domestic banks (private or state-owned). For this purpose, we have selected seven of the most important foreign banks (groups) in CEE countries, and their evolution has been analysed over approximatively 10 years (2004-2014) in six countries from CEE, according to three relevant indicators: market share by assets, number of branches and number of employees. Analysing the data for Poland (see Table 1), we notice than the largest market share in assets belongs to PKO Bank Polski (a state-owned bank), with a relatively constant market share, ranging from 15.2% in 2004 to 15.9% in 2014. Next we find banks which have entered through acquisitions: Bank Pekao (Unicredit Group, Italy), Bank Zachodni WBK (Santander Group, Spain), mBank (Commerzbank, Germany) and ING Bank. Last on the list is the only greenfield top bank in Poland, namely Raiffeisen Polbank, the only with a consistent growth on market share, nearly doubled in 2014 compared to 2004.

Table 1: Main banks in Poland, in terms of market share, number of branches and number of employees (2004, 2008, 2014)

Bank (type of capital / entry mode)	**Market- share (%)**			**No. of branches**			**No. of employees (ths)**		
	'04	**'08**	**'14**	**'04**	**'08**	**'14**	**'04**	**'08**	**'14**
PKO Bank Polski (state-owned)	15.2	15	15.9	3140	2000	1319	35.4	29.2	29.0
Bank Pekao (foreign acquisition)	10.9	14	10.9	782	1102	1034	15.3	22.0	18.8
Bank Zachodni WBK (foreign acquisition)	4.6	6	7.9	387	505	788	7.0	9.6	14.8
mBank (foreign acquisition)	5.7	9	7.7	200	372	268	3.0	5.4	6.3
ING (foreign acquisition)	5.9	8	6.5	332	439	401	7.0	8.3	7.7
Millenium (foreign acquisition)	3.7	5	4	287	490	423	4.0	7.0	6.1
RaiffeisenBank (greenfield)	1.9	3	3.5	70	123	351		3.3	5.5

Source: Raiffeisen Bank, Annual Reports for 2004, 2008, 2014

In terms of number of units and number of employees, the largest bank in the Polish banking system has a decreasing trend from one period to another, cutting down the number of units to almost a third in 2014 compared to 2004, meanwhile the number of employees decreased with almost 20% compared with the same year. Banks with foreign capital (except Bank Zachodni WBK with an increasing evolution, practically doubling both the number of employees and units in 2014 vs 2004) present an oscillating trend. We could notice a growth both in number of employees and units in 2008 compared to 2004, but also a drop in 2014. Raiffeisen Bank Polbank confirms its expansion on this market, tripling the number of units and doubling the number of employees in 2014 compared to 2008.

Table 2: Main banks in Hungary, in terms of market share, number of branches and number of employees (2004, 2008, 2014)

Bank (type of capital / entry mode)	**Market- share (%)**			**No. of branches**			**No. of employees (ths)**		
	‘04	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**
OTP Bank (state-owned)	24.2	18	22	377	382	381	7.9	8.3	8.0
K&H Bank (foreign acquisition)	9.6	9	7.6	160	231	210	3.0	3.9	3.2
CIB Bank (foreign acquisition)	7.1	9	7.3	568	153	95	2.0	3.8	2.5
Unicredit (foreign acquisition)	5.4	5	7	43	115	85	1.2	1.9	1.7
Raiffeisen (greenfield)	6.5	8	6.7	72	141	104	1.8	3.5	2.3
Erste Bank (foreign acquisition)	6.6	8	5.9	172	226	128	2.5	3.2	2.7
MkB (foreign acquisition)	8.7	8	5.5	50	219	79	1.6	0.8	2.0

Source: Raiffeisen Bank, Annual Reports for 2004, 2008, 2014

The data analysis of the banking system in Hungary (see Table 2) shows that the largest market share in assets belongs to OTP Bank, a state-owned bank, with a market share going from 24.2% in 2004 to 22% in 2014. In the second place, at a sizeable distance, there is K&H Bank (KBC, Belgium), with a market share of 7.6% in 2014, but declining during the whole period, followed by CIB Bank (Intesa Group, Italy), and Unicredit (the latter increasing gradually over the past 10 years).
Raiffeisen Hungary (a greenfield bank) has a unstable evolution of the market share. In terms of number of units and employees, the figure remains approximately stable during these 10 years in the case of OTP Bank. It is irregular in the case of the banks with foreign funds such as K&H, Unicredit, Erste Bank and MkB (increasing in 2008 compared to 2004 and decreasing in 2014 compared to 2008) but presents significant declines in the case of Erste Bank, confirming the reorganization of the bank in this country. Furthermore, Raiffeisen Bank, the only green-field bank in the top, also experienced a policy of reorganization on this market, the number of units and employees massively fluctuating from one period to another. However, the biggest decline in number of units is that of CIB Bank, where the number of units in 2014 does not exceed 20% of the 2008 value, meanwhile the number of employees plummeted by approximately 35%.

Table 3: Main banks in Czech Republic, in terms of market share, number of branches and number of employees (2004, 2008, 2014)

Bank (type of capital /entry mode)	**Market- share (%)**			**No. of branches**			**No. of employees (ths)**		
	‘04	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**
CSOB (foreign acquisition)	23.2	17	18.4	210	284	319	7.0	8.7	7.4
Ceska Sporitelna (foreign acquisition)	22	18	15.9	647	646	644	11.8	10.9	10.5
Komerční banka (foreign acquisition)	17.4	15	15.7	335	394	399	7.3	8.8	8.5
Unicredit (foreign acquisition)	5.4	7	9.1	64	56	173	2.0	1.7	2.9
GE Money (foreign acquisition)	2.2	2	2.6	129	219	243	2.0	2.3	3.2
Raiffeisen (greenfield)	2.4	4	2.4	48	100	119	1.1	2.2	2.6

Source: Raiffeisen Bank, Annual Reports for 2004, 2008, 2014

Contrasting with Hungary and Poland, the Czech banking system (Table 3) is controlled by foreign banks entering the market through acquisition: CSOB (member of KBC, Belgium) with market shares going between 22% and 18%, followed by two banks with substantial market shares (about 15-16%): Ceska Sporitelna (Erste Group, Austria) and Komercni banka (Societe Generale, France). Unicredit Czech Republic has an increasing market share in 2014 compared to 2004.
Further away follows a group of three banks, each with different evolutions: GE Money (part of GE Capital Group USA) and Raiffeisen Czech Republic (greenfield). CSOB has expanded its banking unit network until 2014, increasing by more than 100 establishments compared to 2004, while the number of staff members has been fluctuating. In the top of the list, we find that Ceska Sporitelna and Komercni Banka have maintained a constant number of territorial units and also with a low employee turnover. Unicredit Bank and GE Money Bank, as well as Raiffeisen Bank– have had an increasing trend in the number of units (tripling compared to 2004 in the case of Unicredit and Raiffeisen and doubling in the case of GE Money). The number of staff members has also increased from 2004 to 2008 for Unicredit and GE Money, as well as Raiffeisen Bank (even if less striking than the other two).

Table 4: Main banks in Croatia, in terms of market share, number of branches and number of employees (2004, 2008, 2014)

Bank (type of capital / entry mode)	**Market- share (%)**			**No. of branches**			**No. of employees (ths)**		
	‘04	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**	**‘04**	**‘08**	**‘14**
Zagrebačka Banka (foreign acquisition)	25.1	24	25.4	123	130	79	4.1	4.7	4.4
Privredna Banka Zagreb (foreign acquisition)	18.7	17	17.1		230	197		4.5	3.2
Erste & Steiermärkische Bank (foreign acquisition)	11.3	12	14.1	120	159	158	1.5	2.0	2.7
Raiffeisen Bank (greenfield)	10.6	11	7.8	35	70	70	1.6	2.6	2.3
Splitska Banka (foreign acquisition)	4.4	7	7.1	111	134	108	1.2	1.5	1.4
Hypo Alpe Adria Bank (greenfield)	9.9	10	7	25	97	74	0.9	1.3	1.5
Hrvatska Postanska Banka (state-owned)	2.4	4	4.3	3	37	51	0.3	1.5	1.1

Source: Raiffeisen Bank, Annual Reports for 2004, 2008, 2014

As in the case of the Czech Republic, the Croatian banking system (Table 4) can be divided into four levels. The most important bank is Zagrebačka Banka (part of Unicredit Group, Italiy), with a market share of more than a quarter of the total banking system. It is followed by a group of two banks, both entering via acquisition, Privredna Banka (Intesa, Italy) and Erste & Steiermärkische (part of Erste Group, Austria), respectively. The third group of banks consists of three banks with market shares between 7 and 8%, two of them entering the market as greenfield - Raiffeisen Bank and HypoAlpe-Adria-Bank, as well as Splitska Banka (part of Group Societe Generale, France). Although it has preserved the largest market share, Zagrebacka Banka had in these 10 years a downward trend in the number of units, plunging by almost a half in 2014 compared to 2008. In terms of employees, they have remained fairly stable over the past 10 years. Privedna Banka decreased its number of units in 2014 compared to 2008, and the number of employees was cut-down with almost 30%.

The number of units of Erste & Steiermärkische remained relatively constant, the number of staff members surging by almost 40% compared to 2008. The Raiffeisen number of units remained the same in 2014 compared to 2008, while the number of employees slightly decreased (less than 10%) compared to 2008.The other three top banks have a different evolution, Splitska presents a decrease of both (employees and units) compared to 2008, while Hypo Alpe, although decreases the number of units, increases the number of employees. Finally, the trend of Hrvatska Postanska is upturned compared to Hypo, i.e. it has increased the number of units, but reduced by almost a half the number of employees.

Table 5: Main banks in Bulgaria, in terms of market share, number of branches and number of employees (2004, 2008, 2014**)**

Bank (type of capital / entry mode)	**Market-share (%)**			**No. of branches**			**No. of employees (ths)**		
	'04	**'08**	**'14**	**'04**	**'08**	**'14**	**'04**	**'08**	**'14**
UniCredit Bulbank (foreign acquisition)	14.5	16	17.4	94	260	194	1.8	3.9	3.6
DSK Bank (foreign acquisition)	13.1	12	11.7	333	379	376	3.8	3.7	3.6
First Investment Bank (state-owned)	6.6	6	10.2	76	171	178	1.0	2.7	3.1
United Bulgarian Bank (foreign acquisition)	8.8	11	7.7	118	279	199	2.0	3.3	2.5
Eurobank (foreign acquisition)	4.7	8	7.2	123	223	188	1.2	2.8	2.5
Raiffeisen bank (greenfield)	8	10	7	51	195	154	0.8	3.7	2.9
SG Expressbank (foreign acquisition)	3.1	4	5.4	48	142	156	0.9	1.4	1.6

Source: Raiffeisen Bank, Annual Reports for 2004, 2008, 2014

Regarding the market share by assets in the Bulgarian banking system (Table 5), the first position belongs to Unicredit Bulbank (Unicredit, Italy) with a market share that has increased during the entire analysed period. DSK (OTP Hungary) follows with a decreasing market share. On the third place we find First Investment Bank (a state-owned bank), followed by United Bulgarian Bank (member of NBG Greece), Eurobank (Eurobank, Greece) and Raiffeisen Bank (a greenfield entry), all three with a negative trend compared to the 2008 period. The last on this ranking is SG Expressbank (Societe Generale, France) with an increasing market share from one period to another. In terms of number of units and employees, the main bank – Unicredit Bulbank experienced a decrease compared to 2008. In the case of DSK, the number of units and personnel remained stationary in 2014 compared to 2008, and for the First Investment Bank, the number of units and employees increased significantly in 2014 compared to 2008. The next three banks in Top 7 have varied over the past 10 years, number of branches employees increased in 2008 compared to 2004, while in 2008-2014 period trend have reversed, for both indicators and for most of these banks. Finally, the SG Expressbank registers a steady growth in market share and number of units and employees from one period to another, even if the bank reaches less than half of the first-ranked banks' figures.

Table 6: Main banks in Romania, in terms of market share, number of branches and number of employees (2004, 2008, 2014)

Bank (type of capital / entry mode)	**Market-share (%)**			**No. of branches**			**No. of employees (ths)**		
	'04	**'08**	**'14**	**'04**	**'08**	**'14**	**'04**	**'08**	**'14**
BCR (foreign acquisition)	26.2	20.3	16.2	315	641	538	12.5	9.1	7.1
BRD (foreign acquisition)	13.1	15.7	12.4	235	930	860	4.4	9.1	7.2
Banca Transilvania (private owned)	2.9	5.4	9.8	115	482	550	2.0	6.5	6.0
Raiffeisen Bank (foreign acquisition)	9.1	6	7.9	204	574	527	4.7	7.3	5.2
Unicredit (foreign acquisition)	1.4	5.5	7.9	82	242	183	1.2	3.0	3.4
CEC Bank (state-owned)	5.8	4.3	7.7	1300	1404	1077	9.2	6.6	6.3
Alpha Bank (greenfield)	3.2	5.5	4.6	19	200	151		2.5	2.0

Source: Raiffeisen Bank International, Annual Reports for 2004, 2008, 2014

In the Romanian banking system (see Table 6), in terms of market share (assets) we find in a leading position the Romanian Commercial Bank (BCR), part of Erste Group Austria, yet decreasing over the entire period. The distance from the challenger (BRD, part of Societe Generale France) is constantly reduced, even this bank has a changing market share. The third position belongs to Banca Transilvania (foreign capital) with a sustained growth in market share, followed by Raiffeisen Bank (initially a greenfield bank) with a oscillating trend. Unicredit Bank (which previously entered the Romanian market by acquiring a small foreign banks), continued to purchase another two medium-sized banks during 2004-2008, and reached 8% market share in 2014. CEC Bank (the only state-owned bank in this top), doubled its market share in 2014 compared to 2008. Alpha Bank, a greenfield bank (a subsidiary of Alpha Bank Group, Greece) displays a declining market share in 2014, compared to 2008.

Regarding the evolution of the bank units, BCR, BRD, Raiffeisen Bank and Unicredit, i.e. the major banks that entered through acquisition in the banking market of Romania, have changed their trends from one period to another, increasing sharply in 2008 compared to 2004 then diminishing noticeably until 2014. Moreover, with the exception of Unicredit, which recorded a higher number of employees in 2014 compared to 2008, all the other three major banks had reduced their staff members during the 2008-2014 period. The most significant cut-down was realized by BCR Erste, which had undergone a most profound reorganization for a top bank.

Banca Transilvania registers a small reduction (below 10%) in the number of employees in 2014 (compared to 2008), but markedly increased the number of banking units from one period to another, from 115 units in 2004 to 550 2014.

With CEC Bank and Alpha Bank (two distinct banks in terms of nature and origin of funds), the situation was identical, both banks recording a decrease in number of units in 2014 compared to 2008. In addition, during this period, the number of employees declined.

3. In conclusions

Foreign banks that have entered in the last two decades on CEE banking markets (by greenfield or by acquisition of a domestic bank) develop both common and national-specific features. Some of these developments (on CEE markets) are the expression of the transformation undergone by parent banks on home markets. The parent banks could be, in turn, the subject of restructuring, sale or merger processes, which could often change the perspective or the behaviour of their subsidiaries, on various markets.

We notice, therefore, a clear domination of foreign banks entered via acquisitions, both in number and assets. It is undeniable in countries like the Czech Republic, Romania, Bulgaria, Croatia, and noticeable (with presence in the top 3 or top 5) in the other countries of the CEE. In two important countries of the region (Poland and Hungary) that had experienced banking reforms and market opening for foreign capital since the early 90s, the state-owned bank maintains a remarkably robust position at the top. In the other countries, the domestic capital banks are, relatively, low, but on improving trends, especially in the financial performances. Surprisingly, *de novo* banks, represented in all 6 countries almost exclusively by Raiffeisen Bank, have no special strategy or particular behaviour, and they are situated at the bottom of the ranking. Our conclusions deserve to be supplemented in some details. First of all, this is a deduction based on the analysis of some stages occurring in the past 10 years. It is likely that the presence of these greenfield banks were better highlighted (in terms of market share, financial performance, efficiency, know-how) in the previous period (1995-2004), when the banking systems of CEE were dominated by a few state banks, several small size domestic (private) banks, and the internal reorganization of large banks, privatised or not, was not yet completed. In our opinion, the analysed phenomena (between 2004 and 2014), does not necessarily represent an expression of diminishing the importance of the greenfield banks, but rather a sign of maturing and consolidation of banking systems in the CEE region. It is unlikely that on developed, competitive, well-supervised markets, that concluded their reorganization and overcame the crisis, this type of bank (or any other) would distinguish itself by the systematic changes in market share or outstanding developments in performance indicators.

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