EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS
The Co-operative Banking Difference

Fifth EACB Award
for Young Researchers on Co-operative Banks

WINNERS 2017

Erika Dalpiaz

In 2012 Erika graduated in Economics and Management. Afterward, in 2015, she held a Master's degree in Finance from the Faculty of Economics of University of Trento (Italy) with a thesis entitled "*The credit cooperative financial stability in times of crisis (2005-2013) – A comparative empirical analysis*". Erika is currently working in a local Credit Cooperative bank.

Ivana Catturani

Ivana has a Master's degree in Advanced Development Economics from the University of Firenze, and a PhD from CIFREM at the University of Trento, discussing a thesis on "*The growth of Cooperative Credit Banks in Italy: ownership structure, management evolution and loan capacity*". She is currently research follow at the department of Economics and Management at the University of Trento where she lectures. Her research activity is focused on cooperative financial institution, with a particular focus on their governance issues and their relevance for the local development.

Executive Summary

An analysis of Italian banks' risky attitude through alternative classification.

The research focuses on the risky attitude Italian banks. In particular, the question investigated is either whether banks behave more similarly when they are analysed starting from their institutional classification (the so called de jure classification)—i.e., Commercial Banks, Banche Popolari or Credit Cooperative Banks; or whether other grouping rules which considered their actual business model (the so called de facto classifications) are more reliable.

The analysis is performed through an econometric analysis, where different bank's classification re tested: (i) institutional classification; (ii) the ownership division between cooperatives versus non-cooperatives; (iii) the de facto local versus non-local banks; (iv) the five biggest banking groups specification. The risky attitude of banks is measured with the Z-score indicators, while regressors are divided into two sets: bank's specific variables and demand side variables.

The hypothesis of a different behaviour related with different grouping of banks is partially verified. On the one hand, Banche popolari seems to be closer to commercial banks—i.e., for them, the level of insolvency is related with bank's specific elements while the economic environment does not seem to play a role. On the other hand, local banks are more similar to CCBs—i.e., they take an important benefice (measured by the magnitude of the coefficient) from a higher presence of commercial banks' branches, while the competition inside the same type of banks is not significant and they are dependent on the economic performance of the area.

Thus, the classification based on the institutional features is not the only relevant one. More differences can be found when either the ownership classification or the de facto operating pattern is taken into account. Bank's diversity is a great resource for the banking industries. It is important to preserve the peculiarities of each typology to enforce the entire industry.

Fifth EACB Award
for Young Researchers on Co-operative Banks

2nd WINNER 2017

Ulrich Haskamp

Ulrich Haskamp is currently working at the University of Duisburg-Essen as a research assistant of Prof. Ansgar Belke and is finalising his PhD at the Ruhr Graduate School in Economics. His research papers are focused on regional banking and financial market forecasting. He published in journals as Empirica, Economic Modelling and Frontiers in Finance and Economics and held presentations at international academic conferences and the European Central Bank. Previously, he worked for the EU FinMaP project and the ifo Institute. He studied in Osnabrück, Hull and Kiel.

Executive Summary

Spillovers of Banking Regulation: The Effect of the German Bank Levy on the Lending Rates of Regional Banks and their Local Competitors

During the financial crisis numerous European governments decided to rescue domestic banks with public funds to prevent a collapse of the banking system. To internalize the public costs, bank levies have been introduced in many countries. This paper analyzes the German bank levy which was implemented from 2011 till 2014 and its effect on lending rates of regional banks. I examine not only if banks shift the cost of the levy to their customers' lending rates, but also whether there are spillovers to their local competitors. The German savings and cooperative banks are a perfect setting to study such effects as they only operate within well-defined regions, allowing us to identify their local competitors. Additionally, only some of them are subject to the levy due to a tax allowance. Further, with a market share of 42.8% in total, they are relevant. Firstly, we find that a bank that has to pay the bank levy raises its lending rate by about 0.14 percentage points. Secondly, we examine whether the increased lending rates of paying banks spill over to their local competitors. We find this indirect effect to be about one third of the size. Given an average lending rate of 4.96%, these effects are economically significant. Lastly, adverse effects of the levy on paying banks' loan supply growth are absorbed by their competitors to a certain extent.