

Abstract

The current era of intensive globalisation, digitisation and expansion of FinTech companies and latter the impacts of a recent global financial crisis support further concentration processes within the banking sector. This dissertation thesis explores the impacts of global financial crisis on the European banking centres on the level of major banking centres and tiny banking centres with special regard on the development in three main European macroregions – Western Europe, Southern Europe and Central and Eastern Europe. The banking centres were analysed according financial indicators of banks headquartered in particular banking centre in the indicators capturing size, profitability and the level of risk during the period 2004-2015.

Counterintuitively, the European leading banking centres (London, Paris and Frankfurt), despite their extensive exposure to capital markets, display a high level of resilience, which contrasts with the evolution of the other major Western European centres, which clearly lagged behind the European leaders. From a macro-regional perspective, banking centres in Western Europe exhibited the first signals of both the crisis and the recovery, which were subsequently diffused across Europe. Surprisingly, the profitability of low-ranking banking centres in Central and Eastern Europe remained the highest over the whole 2004–2015 period, as these banks operate predominantly within a regional (national) market.

As for the evolutionary dynamics of small banking centres, there occurred decline in number of banking centres, which indicates further concentration tendencies also within small banking centres. The financial performance of banks headquartered in small financial centres is highly variegated, depending significantly primarily upon the European macro-region (a decisive number of defunct banking centres was concentrated in the Southern Europe) and the ownership structure. The small southern European banking centres were hit the most by the financial crisis, while the banking centres in the Central and Eastern Europe reported the best result as for the profitability. The foreign ownership also has a positive impact on the efficiency of banking centres.

Keywords: European banking centres, European macro-regions, financial crisis, financial geography, financial performance, foreign capital