

1. Record Nr.	UNINA9910828973203321
Autore	Boyd John
Titolo	Bank Competition, Risk, and Asset Allocations // John Boyd, Gianni De Nicolò, Abu M. Jalal
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	1-4623-7595-2 1-4527-9648-3 1-282-84357-5 1-4518-7290-9 9786612843570
Edizione	[1st ed.]
Descrizione fisica	1 online resource (37 p.)
Collana	IMF Working Papers
Altri autori (Persone)	De Nicolò Gianni Jalal Abu M
Disciplina	332.1
Soggetti	Banks and banking - Econometric models Competition - Econometric models Asset allocation Risk management Banks and Banking Finance: General Money and Monetary Policy Industries: Financial Services Banks Depository Institutions Micro Finance Institutions Mortgages General Financial Markets: General (includes Measurement and Data) Financial Institutions and Services: General Monetary Policy, Central Banking, and the Supply of Money and Credit: General Finance Banking Monetary economics Loans Competition Distressed institutions Bank credit Banks and banking Financial services industry

Credit
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"July 2009."
Nota di contenuto	Table of Contents; I. Introduction; II. The Model; Entrepreneurs; Depositors; Banks; Equilibrium; III. Evidence; A. Measurement of competition; B. Measurement of risk; C. Samples; D. Results for the U.S. Sample; E. Results for the International Sample; IV. Alternative Risk Measures; A. Loan Loss Measures of Risk; B. Actual Failures (or near failures) as the Dependent Variable; V. Conclusion; References; Tables; 1. U.S. Sample; 2. U.S. Sample Regressions; 3. International Sample; 4. International Sample Regressions; 5. U.S. Sample Loan Loss Measures; 6. International Sample Loan Loss Measures; 7. International Sample: Proxy Measures of (near) Failure
Sommario/riassunto	<p>We study a banking model in which banks invest in a riskless asset and compete in both deposit and risky loan markets. The model predicts that as competition increases, both loans and assets increase; however, the effect on the loans-to-assets ratio is ambiguous. Similarly, as competition increases, the probability of bank failure can either increase or decrease. We explore these predictions empirically using a cross-sectional sample of 2,500 U.S. banks in 2003, and a panel data set of about 2600 banks in 134 non-industrialized countries for the period 1993-2004. With both samples, we find that banks' probability of failure is negatively and significantly related to measures of competition, and that the loan-to-asset ratio is positively and significantly related to measures of competition. Furthermore, several loan loss measures commonly employed in the literature are negatively and significantly related to measures of bank competition. Thus, there is no evidence of a trade-off between bank competition and stability, and bank competition seems to foster banks' willingness to lend.</p>