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Shareholder power and income smoothing in Central European banks²

Summary

We study the process of using loan loss provisions to smooth bank net income in the context of corporate governance structures. Using financial and shareholder data for above 200 banks from Central Europe in the period 2003–2014, we confirm that corporate governance matters for loan loss provision policy. In particular, we find that banks where the primary shareholder is a full owner are more prone to engage in income smoothing than their peers. The mere fact of having one primary shareholder does not provide sufficient incentives for banks to smooth earnings. Once the shareholder stake exceeds the full ownership benchmark, the smoothing process intensifies. Our results have significant policy implications, especially in regions such as Central Europe, where majority and full ownership are a prevailing corporate governance structure in banking systems.

Keywords: income smoothing, corporate governance, Central European banks

JEL: G21, G32

1. Introduction

The importance of shareholder structure for bank activities has been demonstrated in the broad empirical and theoretical literature. The main two areas that are affected by shareholder structure are bank profitability and risk, with the latter extending also to more general questions of financial stability. Although many studies prove the existence of a link between ownership and risk levels of banks, the mechanism through which shareholders shape the final level of risk is not fully clear. In this paper, we explore loan loss provisions as a possible channel through which shareholders may affect both the level of risk and

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profitability in banks that they own. Loan loss provisions (LLP) are an annual addition to the existing stock of loan loss reserves (LLR) in banks and they are earmarked to cover credit losses generated by non-performing loans. As the ample literature indicates, they may also be used to smooth net income in banks³, as they constitute a fluctuating reserve buffer that may be increased or decreased at a discretion of a bank's management.

In this study we analyse the role of concentrated ownership in loan loss reserve policies and income smoothing of Central European banks. The sample is very well suited to studying the role of concentrated ownership, as about 50% of commercial banks in the region have a large owner with a shareholder stake exceeding 90% of capital. Such high ownership implies that a potential agency conflict between managers and shareholders is minimised⁴. In consequence, we are able to verify if full owners provide different incentives to their subsidiary banks than large owners, which also have strong ties to banks they invested in. We use financial and shareholder data from the period between 2003–2014, which spans the pre-crisis, crisis and post-crisis periods, allowing for changes in shareholder behaviour caused by crisis experiences.

2. Literature review

Income smoothing in banks is a process of using loan loss provisions to even out fluctuations in net profit. There is ample empirical evidence proving the existence of income smoothing, in single- or cross-country samples of banks⁵. Loan loss provisions play an important role in the current debate on procyclicality of bank activities and possible role of supervisors in curbing that procyclical-

³ A. Fonseca, F. Gonzalez, *Cross-country determinants of bank income smoothing by managing loan-loss provisions*, "Journal of Banking and Finance" 2008, vol. 32, pp. 217–228; V. Bouvatier, L. Laetitia, F. Strobel, *Bank income smoothing, ownership concentration and the regulatory environment*, "Journal of Banking and Finance" 2014, vol. 41, pp. 253–270.

⁴ J. De Haan, R. Vlahu, *Corporate governance of banks: a survey*, "Journal of Economic Surveys" 2016, vol. 30, pp. 228–277.

⁵ J.A. Bikker, P.A.J. Metzmakers, *Bank provisioning behaviour and procyclicality*, "Journal of International Financial Markets, Institutions and Money" 2005, vol. 15, pp. 141–157; M. Quagliariello, *Banks' riskiness over the business cycle: a panel analysis on Italian intermediaries*, "Applied Financial Economics" 2007, vol. 17, pp. 119–138; A. Fonseca, F. Gonzalez, op.cit.; D. Perez, V. Salas, J. Saurina, *Earnings and Capital Management in Alternative Loan Loss Provision Regulatory Regimes*, "European Accounting Review" 2008, vol. 17(3), pp. 423–445; V. Bouvatier, L. Laetitia, F. Strobel, op.cit.

ity⁶. Some of the still not unanimously resolved issues within income smoothing remain the motivation and actors affecting income smoothing. The literature considers two possible scenarios of income smoothing, the discretionary and non-discretionary smoothing⁷. The non-discretionary smoothing is linked with the underlying credit risk of a bank. A prudent approach to credit risk implies that even the best quality portfolios may deteriorate and hence some reserves should be created to account for this deterioration. As credit quality crises usually take place during economic downturns, banks use periods of healthy earnings to prepare for such events by creating reserves during higher earnings periods. When credit losses materialise, reserves are used to cover them. In such cases, income smoothing is a side effect to a conservative reserve creation policy. On the other hand, the discretionary aspect in income smoothing implies that the process may have little grounds in prudent credit policy and is rather linked to other, non-credit factors. These may include private benefits of managers that receive premia when banks report consistent earnings, or shareholder benefits that see higher share prices when investors appreciate smooth income streams in their investments.

The influence of shareholder structure on bank activities has been broadly proven in the literature. A frequent feature of analyses relates to types of bank owners, usually focusing on foreign and state shareholders. A broad and in-depth literature review in this area is provided by Cull et al.⁸ The second area of shareholder structure studies relates to the degree of concentration of shareholders. De Haan and Vlahu⁹ describe in detail the main corporate governance mechanisms of banks, including board structure, ownership structure and executive compensation in the context of their links with bank performance. Ownership structure, in the context of ownership concentration, is presented as one of the tools used to align managerial actions with shareholder interests. Large, concentrated ownership has better incentives and possibilities to control management. On the other hand, large shareholders enjoy higher private benefits of control and may be inclined to exploit the firm. Indeed, Beltratti and Stulz¹⁰ and Laeven

⁶ M. Olszak, M. Pipień, I. Kowalska, S. Roszkowska, *What Drives Heterogeneity of Cyclicity of Loan-Loss Provisions in the EU?*, "Journal of Financial Services Research" 2017, vol. 51, pp. 55–96.

⁷ A. Fonseca, F. Gonzalez, op.cit.

⁸ R. Cull, M.S. Martinez-Peria, J. Verrier, *Bank ownership: Trends and Implications*, IMF Working Paper no. 17/60, 2017.

⁹ J. De Haan, R. Vlahu, op.cit.

¹⁰ A. Beltratti, R. Stulz, *The credit crisis around the globe: Why did some banks perform better?*, "Journal of Financial Economics" 2012, vol. 105, pp. 1–17.

and Levine¹¹ demonstrate that large banks with stronger controlling ownership take more risks. On the basis of almost 300 largest international banks, Erkens et al.¹² provide evidence that institutional owners encouraged pre-crisis banks to take higher risks and suffered from worse performance during the crisis as a result. However at the same time, Erkens et al.¹³ find that having a large shareholder (defined at 10% of capital) had no effect on either risk or returns before or during the crisis. In a similar setting, Gropp and Kohler¹⁴ use a cross-country sample of over 1,100 banks and show that banks with higher ownership concentration (also set at 10%) were more profitable before the crisis, but experienced higher losses during the crisis. Saghi-Zedek and Tarazi¹⁵ demonstrate that before the financial crisis, shareholders with excess control rights boosted risk of Western European banks. However, during the crisis the relation reversed or disappeared, depending on the risk proxy. After the crisis, the positive effect between control rights and risk was re-established. On the other hand, using an earlier sample of European banks, Iannotta, Nocera and Sironi¹⁶ show that higher ownership concentration is linked to lower credit, asset and insolvency risk. Last but not least, some authors stipulate that the relation between insider control and bank risk taking may be U-shaped, although Forssbaeck¹⁷ demonstrates that the negative effect predominates.

There are very few studies that analyse the link between shareholder structure and loan loss reserve policy and income smoothing of banks. A notable exception is the paper of Bouvatier et al.¹⁸, where the authors use a wide panel of almost 900 Western European banks to verify the link between income smoothing and shareholder concentration. They find that income smoothing is performed only by banks with concentrated ownership. There are some important differences

¹¹ L. Laeven, R. Levine, *Bank governance, regulation and risk taking*, "Journal of Financial Economics" 2009, vol. 93, pp. 259–275.

¹² D.H. Erkens, M. Hung, P. Matos, *Corporate governance in the 2007–2008 financial crisis: Evidence from financial institutions worldwide*, "Journal of Corporate Finance" 2012, vol. 18, pp. 389–411.

¹³ Ibidem.

¹⁴ R. Gropp, M. Koehler, *Bank owners or bank managers: who is keen on risk? Evidence from the financial crisis*, ZEW Discussion Paper no. 10-013, 2010.

¹⁵ N. Saghi-Zedek, A. Tarazi, *Excess control rights, financial crisis and bank profitability and risk*, "Journal of Banking and Finance" 2015, vol. 55, pp. 361–379.

¹⁶ G. Iannotta, G. Nocera, A. Sironi, *Ownership structure, risk and performance in the European banking industry*, "Journal of Banking and Finance" 2007, vol. 31, pp. 2127–2149.

¹⁷ J. Forssbaeck, *Ownership structure, market discipline, and banks' risk-taking incentives under deposit insurance*, "Journal of Banking and Finance" 2011, vol. 35, pp. 2666–2678.

¹⁸ V. Bouvatier, L. Laetitia, F. Strobel, op.cit.

between our paper and the approach of Bouvatier et al.¹⁹ First, they consider only Western European banks, which have a different ownership structure with institutional shareholders such as mutual funds or pension funds frequently holding large stakes. In Central European banks, the majority shareholders – if they exist – are usually the Western European or US banks. Second, the sample period of Bouvatier et al.²⁰ finishes in 2009, which is just the end of the financial crisis. Our sample extends to the post-crisis period, which has changed bank behaviour and incentives. As a result, our conclusions reflect strategies of large shareholders that experienced severe downturns in their own profitability or in their banking sectors and their behaviour towards subsidiaries is likely to reflect the new, post-crisis approach. Berger and Udell²¹ put forward an institutional memory hypothesis, which stipulates that institutions that experienced a crisis are more likely to behave prudently than institutions that have no recent recollections of crisis events in their institutional memory. Our results can thus shed more light on the possibly more prudent version of shareholder policy, which is still burdened by the institutional memory of the 2007–2009 financial crisis aftermath.

3. Data and methodology

In this paper, we use a sample of 211 banks from 11 countries from Central Europe. All countries are members of the European Union and include Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. The financial data is of an annual frequency and encompasses the period 2003–2014. The original sample consisted of 317 banks, but some observations had to be eliminated due to the lack of sufficient data. All financial data is taken from the Bureau Van Dijk's Bankscope (now: Orbis Bank Focus) database. Bank financial data has been winsorised at 1/99 percentile level, to eliminate outliers. Time-varying shareholder data for all banks in the sample has been hand-inputted from bank annual reports, financial statements and websites. Finally, macroeconomic data is taken from the IMF.

¹⁹ Ibidem.

²⁰ Ibidem.

²¹ A.N. Berger, G.F. Udell, *The institutional memory hypothesis and the procyclicality of bank lending behaviour*, "Journal of Financial Intermediation" 2004, vol. 13, pp. 458–495.

We want to explore the question whether ownership concentration may affect both the nominal level of loan loss provisions and income smoothing. Strong, highly concentrated owners may have more power over bank management and press for a certain loan loss reserve policy. Usually shareholders appreciate smooth profit streams, as share valuations are more favourable for such stock. In addition, income smoothing may be viewed as prudent credit risk management, which accounts for future credit losses at times that lie far from the danger of increasing non-performing loans. Hence, managerial risk aversion that is higher than that of shareholders²² will be accounted for when banks create anticyclical provisions and smooth income under the pressure of shareholders. On the other hand, smaller shareholders can more easily withdraw from banks where they do not hold majority stakes. They may be more willing to exploit possibilities of higher rent extraction from their subsidiaries, especially when earnings are high. When earnings decrease, they can liquidate their stakes and thus do not appreciate the diminished losses in such times. As a result, we hypothesise that income smoothing is likely to be stronger in banks with concentrated ownership, especially ownership close to 100%. In such settings shareholders take a longer term view and may fully benefit from income smoothing throughout the whole business cycle. In order to verify the relation between shareholder concentration and the level of loan loss provisions, as well as income smoothing, we use the following equation:

$$\begin{aligned}
 LLP_{i,j,t} = & \alpha + \beta_1 Income_{i,j,t} + \beta_2 Shareholder\ Concentration_{i,j,t} \\
 & + \beta_3 Bank\ control\ variables_{i,j,t} + \beta_4 Macroeconomic\ control\ variables_{j,t} \quad (1) \\
 & + a_{i,j,t} + \varepsilon_t
 \end{aligned}$$

In Equation (1), the dependent variable is the level of *Loan Loss Provisions (LLP)* in a given bank, divided by total assets for the previous year. *Income* is the level of pre-provisioning profit, which is a bank's operating profit before making loan loss reserves, also divided by total assets from the previous year. A positive and statistically significant relation between *Income* and *LLP* implies that income smoothing occurs, as periods of higher earnings are used to create more abundant loan loss reserves. Our main variable of interest is *Shareholder Concentration*, which takes several possible forms. First, we include *Primary Shareholder*, which is the share of capital (in %) held by a bank's largest shareholder.

²² J. De Haan, R. Vlahu, op.cit.

A significant relation with *LLP* would mean that the size of the primary shareholder stake matters for the nominal amount of loan loss provisions created. Second, we introduce three binary variables based on the largest shareholder stake. *Full Owner* is a binary variable equal to one if the main shareholder holds more than 90% of shares of a bank. *Majority Owner* is a binary variable equal to one if the main shareholder owns over 50% of shares. In many countries the process of exceeding the 50% benchmark is connected with increased supervisory requirements and scrutiny. In consequence, some shareholders decide to retain their stake under 50% of capital, even if they are the largest shareholder of a bank and hold considerable influence over a bank's activities. In consequence, we introduce a binary variable *Large Owner*, which is equal to one if the main shareholder holds over 40% of capital²³. The frequency of different shareholder stakes in our sample is presented in Table 1. In our regressions, all three binary variables for the main shareholders are interacted with *Income*, in order to verify if they affect the process of income smoothing.

Table 1. Three main types of ownership concentration in Central European banks

Type of ownership	0	1	Total
Large owner	163	1199	1362
Majority owner	252	1110	1362
Full owner	680	682	1362

Source: Own calculations.

In addition, Equation (1) includes bank control variables, standard for income smoothing models. They consist of Non-performing Loans (NPL), Loan growth, Loan Loss Reserves (LLR), Loans to Assets, Equity to Assets and Bank Size. NPL and LLR are scaled by total loans, Bank Size is the natural logarithm of total assets. Lastly, we account for GDP growth and Inflation as the main macroeconomic control variables. $a_{i,j,t}$ are fixed effects for individual banks, countries and years. ε_t is the error term. We estimate the static version of Equation (1), despite the fact that some authors use a dynamic setting²⁴. The economic implication of including lagged loan loss provisions into the equation is not fully convincing, as it would suggest that bank managers make their decisions regarding

²³ For Western European and US banks the threshold for large owners is frequently 10%. However in Central Europe it is relatively rare to find banks without a large, primary owner (see Table 1). As a result, we apply a higher shareholder threshold of 40%.

²⁴ Eg. V. Bouvatier, L. Laetitia, F. Strobel, op.cit.

the level of LLP a function of the level of last year's LLP. We assume that LLP depend on the underlying level of credit risk and possibly on the target profitability, but not on last year's provision decision. We thus do not introduce the lagged dependent variable into the equation.

4. Results

Our first estimation takes into account the shareholder variable Primary Shareholder. Results are depicted in Table 2. The results confirm the existence of income smoothing, as the coefficient for *Income* is positive and highly significant. When pre-provisioning earnings are high, banks create more reserves and use them when a downturn occurs. However, the coefficient for Primary Shareholder is not statistically significant. This implies that a higher concentration of shares in the hands of one owner is not linked to a different level of loan loss reserves, while controlling for asset quality and previous reserves created in the past.

Table 2. Loan loss provisions and income smoothing with primary shareholder stakes

Dep.Var. LLP	Primary Shareholder
Income	0.1519*** [0.034]
Primary Shareholder	0.0037 [0.003]
NPL	0.0468*** [0.006]
Loan growth	0.0002 [0.001]
LLR	-0.0467*** [0.014]
Loans / assets	0.0141*** [0.005]
Equity / assets	-0.0758*** [0.013]
Size	-0.4113*** [0.155]
GDP growth	-0.1317*** [0.029]
Inflation	0.0144 [0.056]

Dep.Var. LLP	Primary Shareholder
No. of observations	1362
No of banks	211
R-squared	0.2589

Source: Own calculations.

A positive link between the level of *NPL* and *LLP* is visible, indicating that banks with larger problems with asset quality are inclined to create higher reserves. On the other hand, more elevated reserves created in the past either on the asset side (*LLR*) or in equity are linked with lower current provisions, as seen from the negative relation between *LLR*, *Equity* and *LLP*. In order to verify the role of shareholder concentration in the level of loan loss provisions and income smoothing, we re-estimate Equation (1) using three binary variables of shareholder concentration and their corresponding interaction terms. Results are presented in Table 3.

Table 3. Loan loss provisions and income smoothing with varying levels of shareholder concentration

Dep.Var. LLP	Large Owner Specification 1	Majority Owner Specification 2	Full Owner Specification 3
Income	0.1973** [0.078]	0.1960*** [0.059]	0.0938** [0.038]
NPL	0.0467*** [0.006]	0.0472*** [0.006]	0.0472*** [0.006]
Loan growth	0.0002 [0.001]	0.0005 [0.001]	0.0008 [0.001]
LLR	-0.0476*** [0.014]	-0.0470*** [0.014]	-0.0465*** [0.014]
Loans / assets	0.0148*** [0.005]	0.0141*** [0.005]	0.0142*** [0.005]
Equity / assets	-0.0768*** [0.013]	-0.0766*** [0.013]	-0.0733*** [0.013]
Size	-0.4166*** [0.155]	-0.4015** [0.156]	-0.3904** [0.155]
GDP growth	-0.1348*** [0.029]	-0.1322*** [0.029]	-0.1323*** [0.029]
Inflation	0.0196 [0.056]	0.0142 [0.056]	0.0128 [0.056]
Full Owner			-0.2292 [0.178]
Full Owner Smoothing			0.1404*** [0.053]

Dep.Var. LLP	Large Owner Specification 1	Majority Owner Specification 2	Full Owner Specification 3
Majority Owner		0.1448 [0.229]	
Majority Owner Smoothing		-0.0664 [0.065]	
Large Owner	0.4701 [0.289]		
Large Owner Smoothing	-0.0524 [0.081]		
Country and year FE	yes	yes	yes
No. of observations	1362	1362	1362
No of banks	211	211	211
R-squared	0.2594	0.2581	0.2625

Source: Own calculations.

Evidence presented in Table 3 shows that shareholder concentration is related to bank credit risk policy, but only starting from a certain level of ownership control. In *Specification 1* we consider shareholders that own above 40% of shares, which implies that they are a leading shareholder in a bank (*Large Owner*). Loan loss provisions of these banks are not different from institutions where the shareholder dispersion is much higher. In addition, their income smoothing is also not different from the remainder of the sample. Apart from that, coefficients in *Specification 1* are of expected signs and direction. Income smoothing is confirmed through the positive and significant coefficient of Income. A higher buffer of reserves created in previous periods, either as loan loss reserves or equity reserves, are negatively linked to provisions in the current period. Large banks are shown to create less reserves, similarly to banks that are in countries with a higher level of economic growth. In *Specification 2*, the binary variable *Majority Shareholder* equals one for owners that exceed the 50% benchmark. Results are very similar to those found for *Large Owners*, with the same significance and magnitude of coefficients.

In *Specification 3* we introduce *Full Owners*, which have to possess at least 90% of capital. The nominal level of loan loss provisions in these banks is not different from the remaining banks. On the other hand, they display a visibly distinct pattern of income smoothing. Not only is their income smoothing much stronger than in the rest of the sample, but once we introduce them into the equation, the coefficient for income smoothing of remaining banks significantly decreases. This indicates that income smoothing in the total sample is

strongly driven by this performed by fully-owned banks. The remaining coefficients in Specification 3 are the same as in the previous specifications.

To extend our analysis, we want to verify if banks with different asset quality will adjust their loan loss provisions differently, as a function of ownership. To this end, we divide the banks according to the mean level of their non-performing loans and create two subsamples. *High-NPL* banks are above the median NPL level for the whole sample, which *Low-NPL* banks are below the median. We re-estimate Equation (1) on the two subsamples. Results are shown in Table 4.

Once we introduce subsamples based on asset quality, some more details regarding income smoothing appear. The size of the shareholder stake remains unrelated to the nominal level of provisions, notwithstanding the asset quality subsample (*Specifications 1 and 2*). On the other hand, banks that have a majority shareholder display differences relating to shareholders with dispersed ownership, but only in the good quality assets group (*Specification 3*). In this subsample, majority owned banks create higher reserves than the remainder of the sample, proving that they are more conservative. In addition to that, their income smoothing is significantly lower, while the degree of income smoothing in banks without a majority owner is exceptionally high, in relation to the total sample. Majority ownership in the subsample of high credit risk does not affect either nominal LLP or income smoothing (*Specification 4*). Last but not least, the results for asset quality subsamples with a *Full Owner* binary variable prove our earlier findings (*Specifications 5 and 6*). Banks having a full owner are more active in income smoothing, even though the nominal level of their loan loss provisions is not different from other institutions. However, this is visible only for banks that possess high levels of non-performing loans. Fully owned banks with good asset quality are not very different from other banks in the sample.

5. Conclusion

In this paper we consider varying degrees of ownership concentration as an element that may be linked with a bank's loan loss provisioning policy and especially income smoothing. Using a sample of over 200 banks from Central Europe, we find that banks with a primary shareholder that holds over 90% of capital are much more prone to exercise income smoothing through loan loss provisions. At the same time, the nominal level of provisions that they create is not different than in banks with a more dispersed ownership structure. This indicates that full

ownership may be linked with a longer-term perspective of investors, which are able to fully benefit from income smoothing when they remain the primary shareholder throughout the whole economic cycle. More intense income smoothing is especially the case in banks which have lower credit quality. Although generally banks that have a majority owner do not engage in income smoothing differently than banks with smaller shareholders, some differences emerge when asset quality is accounted for. Banks with high loan quality and having a primary owner with a minimum 50% stake are less inclined to engage in income smoothing than other banks, while the nominal level of loan loss provisions that they create is much higher. Our results indicate that there is a notable difference between holding a majority and a full stake in a subsidiary bank in the context of loan loss provisions. Full owners provide more incentives for income smoothing to their banks and the motivation behind this may lie either in the discretionary or non-discretionary (credit risk driven) part of the reserve making process.

Table 4. Loan loss provisions and income smoothing in High-NPL and Low-NPL banks as a function of ownership concentration

	Low NPL -1	High NPL -2	Low NPL -3	High NPL -4	Low NPL -5	High NPL -6
Income	0.1543*** [0.049]	0.1504*** [0.049]	0.5450*** [0.112]	0.1694** [0.078]	0.1345** [0.065]	0.0873 [0.056]
NPL	0.0660*** [0.014]	0.0571*** [0.008]	0.0527*** [0.014]	0.0574*** [0.008]	0.0670*** [0.014]	0.0566*** [0.008]
Loan growth	-0.0030* [0.002]	0.0008 [0.002]	-0.0026* [0.002]	0.0011 [0.002]	-0.0028* [0.002]	0.0008 [0.002]
LLR	-0.0434** [0.020]	-0.0810*** [0.022]	-0.0454** [0.020]	-0.0802*** [0.022]	-0.0443** [0.020]	-0.0822*** [0.022]
Loans/assets	0.0029 [0.006]	0.0132 [0.010]	0.001 [0.006]	0.0132 [0.010]	0.0032 [0.006]	0.0124 [0.010]
Equity	-0.0246 [0.020]	-0.0743*** [0.021]	-0.0233 [0.019]	-0.0756*** [0.021]	-0.0235 [0.020]	-0.0683*** [0.021]
Size	-0.3475* [0.181]	-0.6014** [0.246]	-0.3555** [0.178]	-0.5953** [0.248]	-0.3230* [0.183]	-0.5847** [0.245]
GDP growth	-0.1425*** [0.021]	-0.3537*** [0.061]	-0.1539*** [0.021]	-0.3555*** [0.061]	-0.1402*** [0.021]	-0.3386*** [0.061]
Inflation	0.0327 [0.050]	1.2521*** [0.179]	0.0518 [0.050]	1.2548*** [0.180]	0.0325 [0.050]	1.1677*** [0.182]
Primary Sharehold.	0.0053 [0.004]	0.0006 [0.006]				
Full Owner					0.0021 [0.215]	-0.3134 [0.277]

	Low NPL -1	High NPL -2	Low NPL -3	High NPL -4	Low NPL -5	High NPL -6
Full Own. Smooth.					0.0197 [0.076]	0.1611** [0.075]
Majority Owner			0.8105** [0.325]	-0.1409 [0.365]		
Majority Own. Smooth.			-0.4646*** [0.116]	-0.0374 [0.087]		
No. of obs.	660	702	660	702	660	702
No. of banks	102	109	102	109	102	109
R-squared	0.4289	0.3256	0.4465	0.3249	0.4251	0.3307

Source: Own calculations.

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Udział akcjonariuszy a wygładzanie dochodów w bankach Europy Centralnej

Streszczenie

W pracy przeanalizowano proces wykorzystywania odpisów na należności zagrożone w celu wygładzania dochodów banków w kontekście struktur ładu korporacyjnego. W pracy wykorzystano dane finansowe i dane dotyczące struktury akcjonariatu dla ponad 200 banków Europy Centralnej w okresie 2003–2014 i wykazano, że ład korporacyjny ma znaczenie dla polityki tworzenia odpisów. Wyniki pokazują w szczególności, że banki z głównym akcjonariuszem, który jest całościowym właścicielem, chętniej angażują się w wygładzanie dochodów niż pozostałe banki. Sam fakt posiadania jednego dużego akcjonariusza nie jest dla banków wystarczającym bodźcem do wygładzania dochodów. Po przekroczeniu granicy pełnego pakietu własności proces wygładzania dochodów jest intensywniejszy. Wyniki badania mają istotne znaczenie dla polityki gospodarczej, szczególnie w takich regionach jak Europa Centralna, gdzie większościowe i pełne pakiety udziałów stanowią dominującą strukturę własności w systemach bankowych.

Słowa kluczowe: wygładzanie dochodów, ład korporacyjny, banki Europy Centralnej