



**Territorial Cohesion in Europe
International Conference for the 70th Anniversary of the
Transdanubian Research Institute
Pécs, 27th–28th June 2013**

**Regional Features of Financial and Bank
Structure in the South Pannonian Region**



TRANSDANUBIAN RESEARCH INSTITUTE FOUNDED IN 1943

Sándor Zsolt, KOVÁCS

junior research fellow

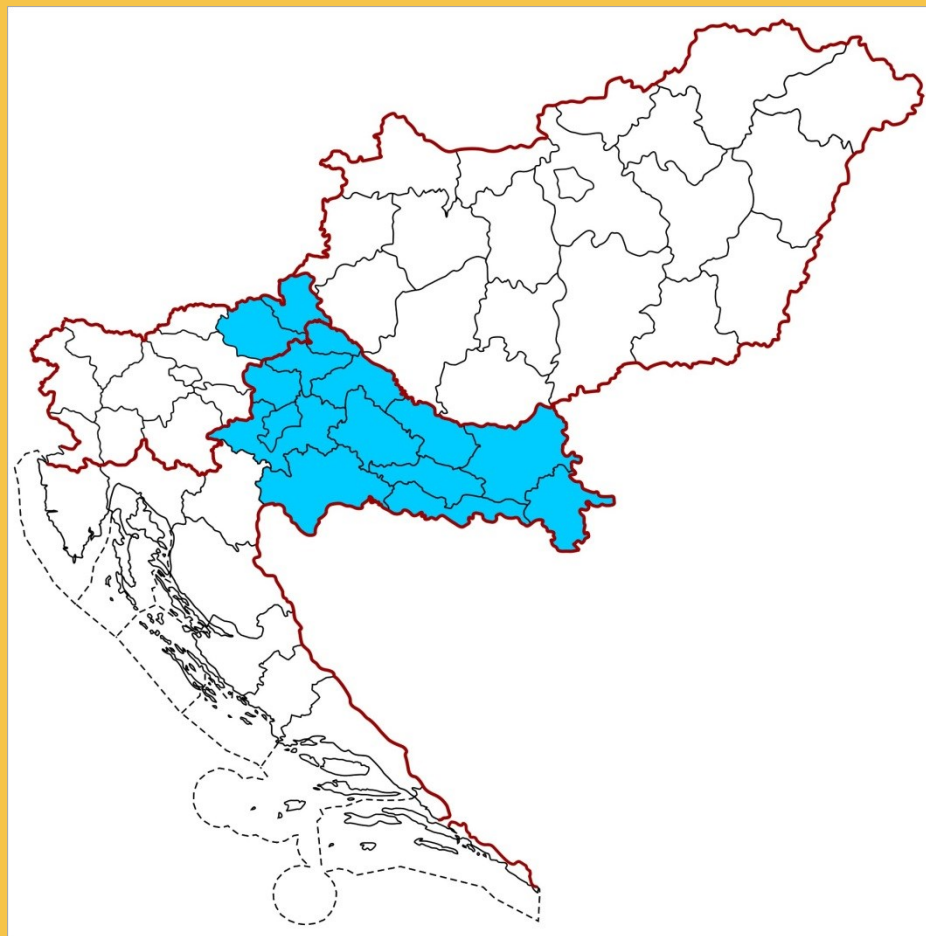
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What is South-Pannonia?

- „Regions of Carpathian Basin” book series of CERSHAS IRS
- Region along the Hungarian–Croatian–Slovenian border
- 13 Croatian and 2 Slovenian county





Short History of Financial Services

- 1990's – post-soviet transition and independence in these countries
- Necessity of reforms in this years
 - unregulated and inadequately controlled business environment of the financial institutions;
 - the low reputation of financial institutions rendered it more difficult to attract deposits and increase their portfolio or clientele;
 - bad debt inherited from large companies.



Croatia

- Adaptation of market conditions and international standards
- Government bonds release in foreign countries

Slovenia

- The most rapid bank reform in post-Yugoslavian countries
- Full guarantee of the frozen assets
- Nationalization of largest banks



- Decrease of banks' number

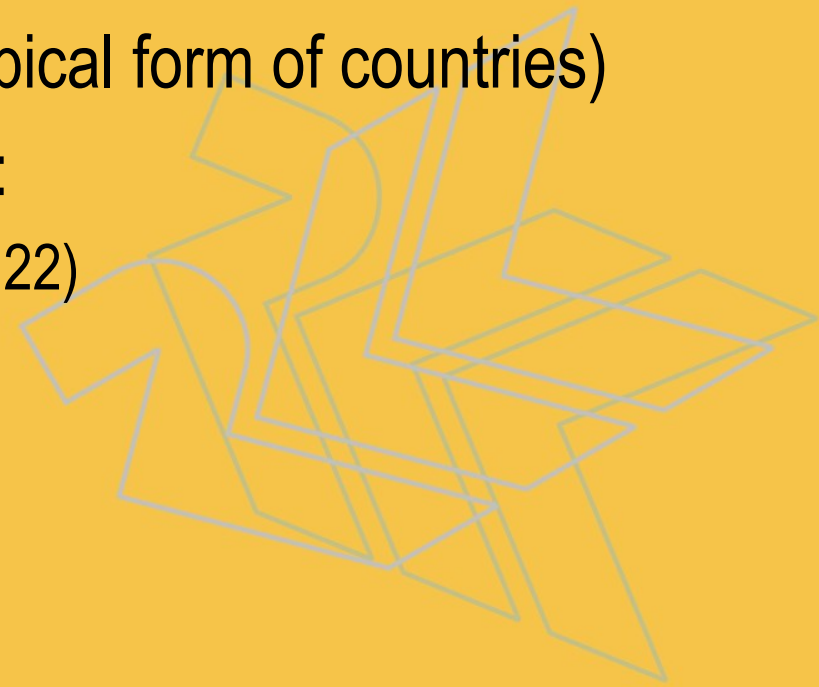
| Y/C | Croatia | Slovenia |
|------|---------|----------|
| 1995 | 54 | 39 |
| 2000 | 43 | 28 |
| 2005 | 37 | 25 |
| 2010 | 33 | 25 |
| 2012 | 32 | 25 |

- Growing foreign ownership

| Y/C | Croatia | | |
|----------|-----------------|----------------|-------------------|
| | State ownership | Other domestic | Foreign ownership |
| 2000 | 5,7 | 10,2 | 84,1 |
| 2005 | 3,4 | 5,3 | 91,3 |
| 2010 | 4,3 | 5,4 | 90,3 |
| 2011 | 4,5 | 4,8 | 90,7 |
| Slovenia | | | |
| 2000 | 36,8 | 51,2 | 12,0 |
| 2005 | 18,2 | 46,9 | 34,9 |
| 2010 | 20,1 | 42,9 | 37,1 |
| 2011 | 22,7 | 38,3 | 39,0 |



- Centralized bank system in assets
- But:
 - Decentralized bank branch network with non-central headquarters (special geographical form of countries)
 - Bank HQs in South-Pannonia:
 - HR: 22 (total 32); SLO: 4 (total 22)





Bank Branch and ATMs in South Pannonia

| Counties | Number of branches (db) | Rate | Number of ATMs(db) | Rate |
|---------------------------------|-------------------------|--------------|--------------------|--------------|
| Zágráb city and county | 301 | 23,8% | 1136 | 28,6% |
| Krapina-Zagorje | 30 | 2,4% | 93 | 2,3% |
| Varaždin | 44 | 3,5% | 133 | 3,3% |
| Koprivnica-Križevci | 33 | 2,6% | 69 | 1,7% |
| Medimurje | 27 | 2,1% | 82 | 2,1% |
| Sisak-Moslavina | 37 | 2,9% | 111 | 2,8% |
| Bjelovar-Bilogora | 27 | 2,1% | 72 | 1,8% |
| Vitrovitica-Podravina | 27 | 2,1% | 41 | 1,0% |
| Požega-Slavonia | 25 | 2,0% | 50 | 1,3% |
| Slavonski Brod-Posavina | 30 | 2,4% | 71 | 1,8% |
| Osijek-Baranja | 85 | 6,7% | 200 | 5,0% |
| Vukovar-Srijem | 30 | 2,4% | 107 | 2,7% |
| Croatian South Pannonia | 696 | 55,0% | 2165 | 54,5% |
| Croatia | 1266 | - | 3975 | - |
| Podravina | 95 | 14,1% | 281 | 15,2% |
| Pomurska | 41 | 6,1% | 104 | 5,6% |
| Slovenian South Pannonia | 136 | 20,2% | 385 | 20,9% |
| Slovenia | 675 | - | 1845 | - |



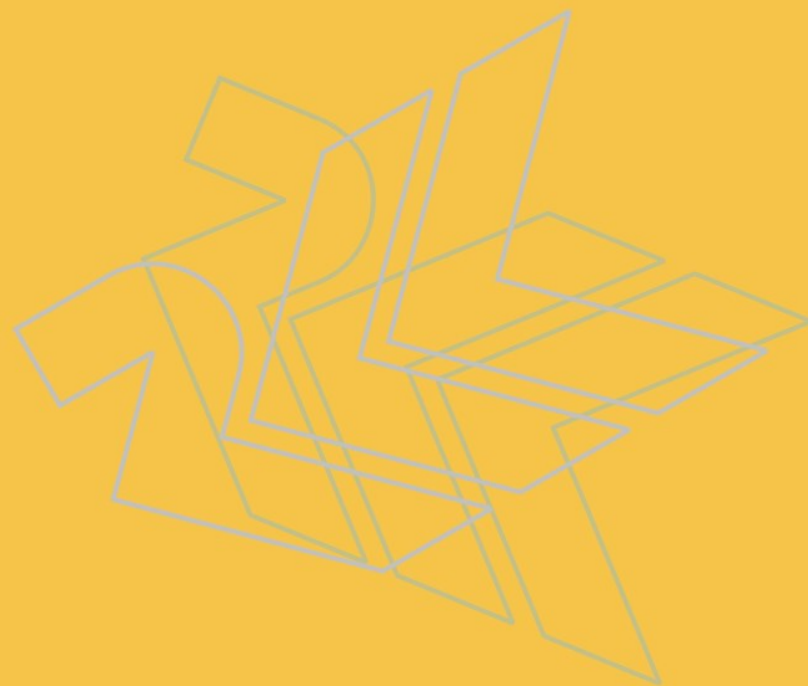
Density of Branches and ATMs

| Counties | Branch density | ATM-density |
|--------------------------|----------------|-------------|
| Zágráb city and county | 1 055 | 280 |
| Krapina-Zagorje | 4 430 | 1 429 |
| Varaždin | 3 999 | 1 323 |
| Koprivnica-Križevci | 3 503 | 1 675 |
| Medimurje | 4 215 | 1 388 |
| Sisak-Moslavina | 4 661 | 1 554 |
| Bjelovar-Bilogora | 4 436 | 1 663 |
| Vitrovitica-Podravina | 3 142 | 2 069 |
| Požega-Slavonia | 3 121 | 1 561 |
| Slavonski Brod-Posavina | 5 286 | 2 233 |
| Osijek-Baranja | 3 589 | 1 525 |
| Vukovar-Srijem | 5 984 | 1 678 |
| Croatian South Pannonia | 2 808 | 903 |
| Croatia | 3 385 | 1 078 |
| Podravina | 3 404 | 1 151 |
| Pomurska | 2 916 | 1 150 |
| Slovenian South Pannonia | 3 257 | 1 150 |
| Slovenia | 3 045 | 1 114 |



Insurance companies in Croatia

- All Croatian insurance companies' HQs are in Zagreb
- Size of insurance sector
 - 218 branches
 - Life insurance: 155,5 M€
 - Non-life insurance: 496,5 M€



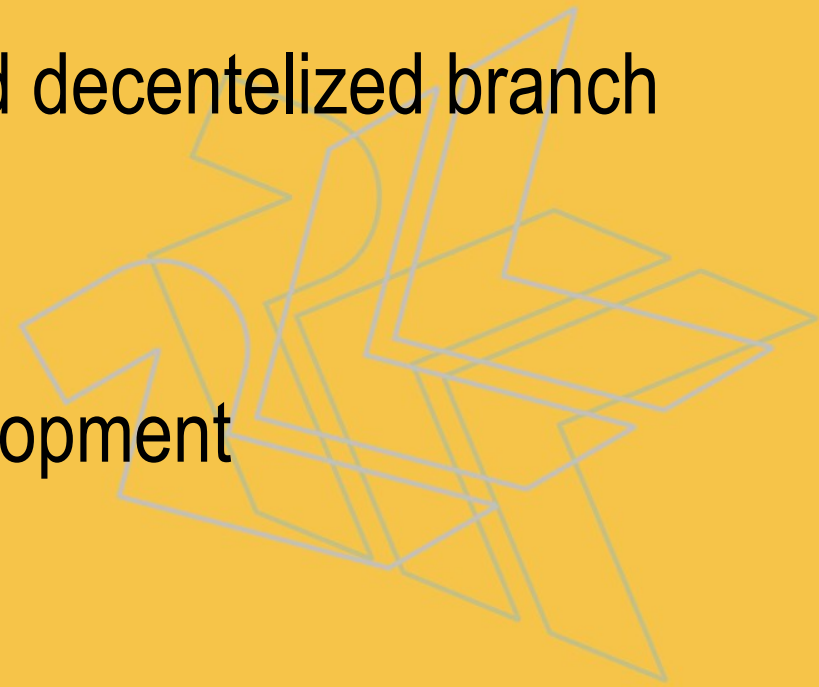


Insurance companies in Slovenia

- 2 insurance companies in South Pannonia Region (total 21)
- The Maribor Insurance Company 3rd largest in the life insurance sector, and 4th largest in the non-life sector
- Market share of Maribor Insurance Company is 12,84%



- South Pannonia is a region with 13 central Croatian counties and 2 peripheral Slovenian counties
- Centralized bank assets, and decentelized branch networks
- Branches and regional development





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Thank you for your attention!



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Sándor Zsolt, KOVÁCS

skovacs@rkk.hu

<http://dti70.rkk.hu>