

# Global Conference on Economic Geography - GCEG 2022 Dublin: 7-10 June 2022

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## Mapping the Postsocialist Bankscapes: Sub-National Banking Geographies in Croatia

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# General characteristics of the Croatian banking system

## • Concentration

- The largest two banks = 47.66% banking assets
- The largest five banks = 82.42% banking assets
- 20 banks (down from 60 in the late 90's)

## • Foreignization

- 11 foreign banks / 9 domestic banks
- 90.62% banking assets of foreign ownership, 9.38% of domestic ownership
- Italy (47.66%) and Austria (27.69%), reflecting larger political relations and histories

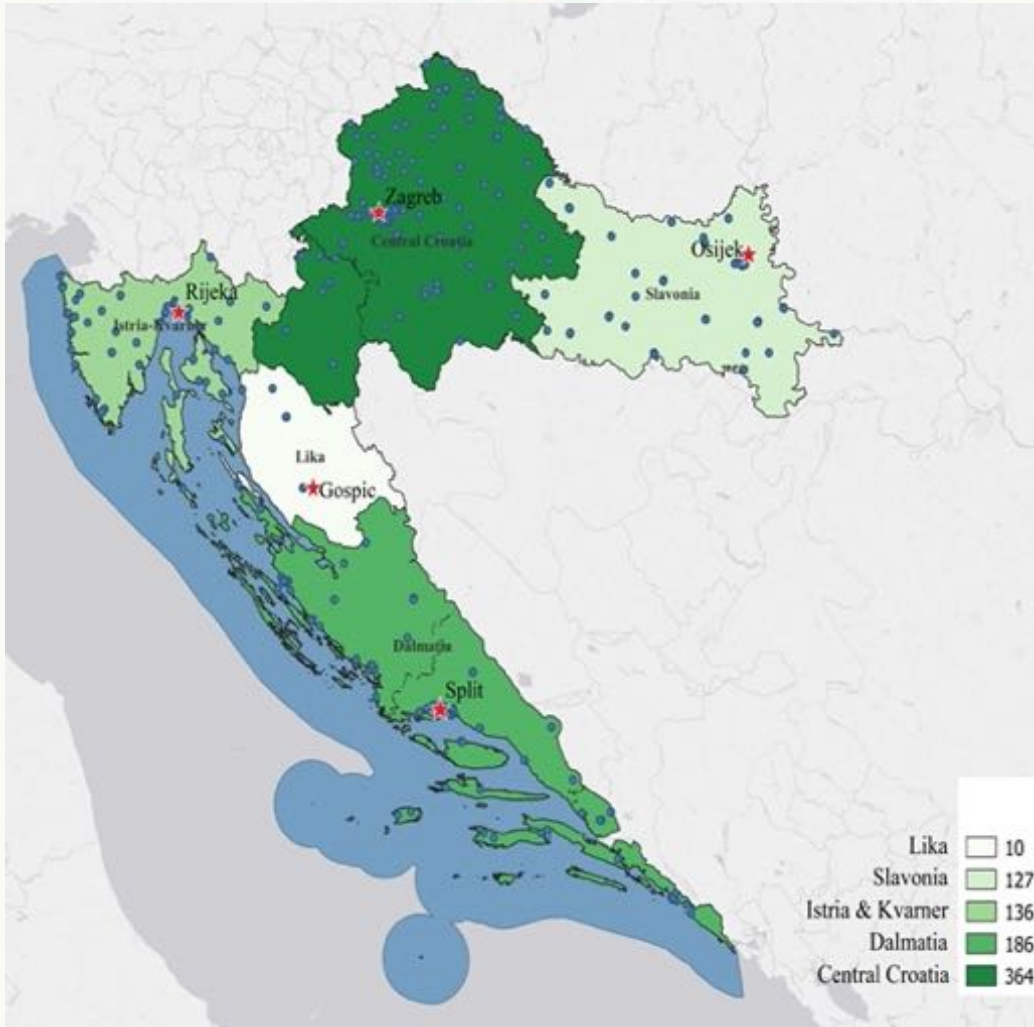
## • Universalization

- Demise of regional banks, which were tied to firms and surrounding localities
- Related introduction of geographically universal banks, operating across the Croatian territory, albeit in concentrated manner

## • Financialization

- Increasing dominance of foreign banking groups resulting in structural transformation of banks in Croatia (Aalbers)
- Form of bank accumulation that works through dispossession and enclosure of commons (Hardt & Negri)

# Geocoding: 20 banks, 823 branches



**Metropolization**  
Concentration of  
branches in and  
around major cities



**Suburbanization**  
Concentration of  
branches in  
commuter and  
residential belts  
of cities



**Littoralization**  
Concentration of  
branches along the  
coast v inland

Districts  
with no  
branches  
&  
Districts  
with a  
single  
branch



# Branch location determinants

## ● Related variety

- Proximity to important bank neighbors: Interdependence between bank location choices, as banks locate their branches relatively to other banks and their branches
- Bank-dense area favoritism: higher chances of loan approval

## ● Parent bank & the Shareholder

- Periods of tight and loose control
- Dictate periods of expansion and contraction, branch mergers and relocations

## ● Mode of entry

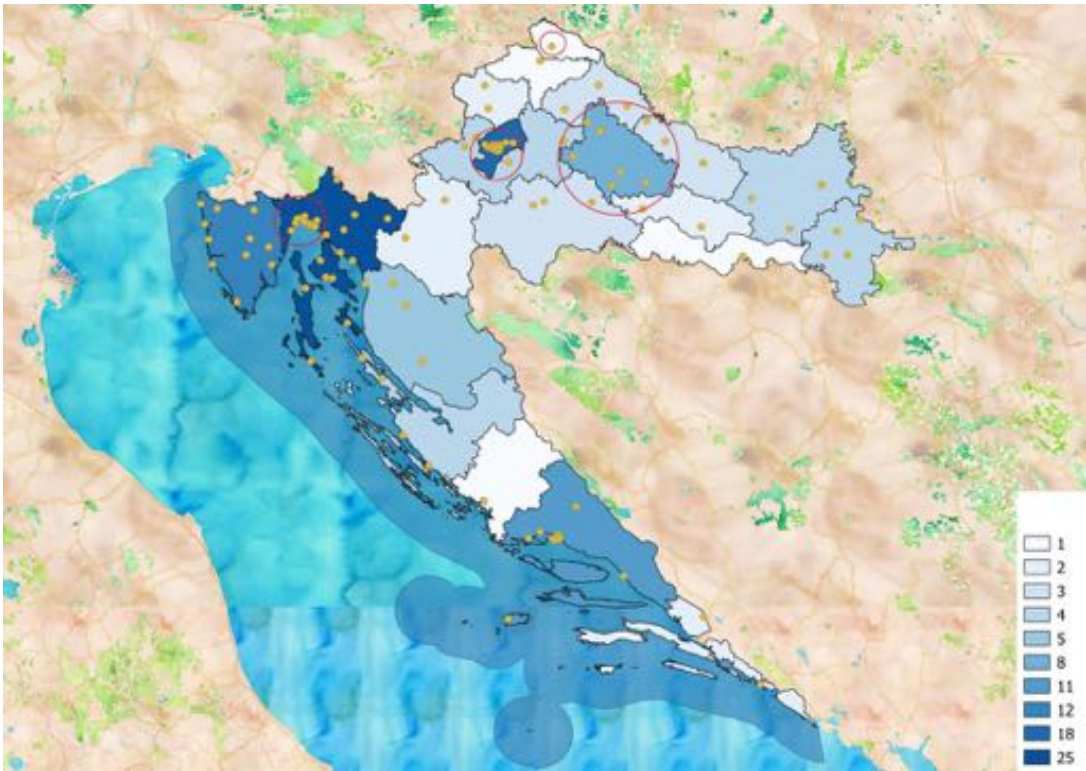
- Greenfield investment: banks' natural habitats or legacy markets
- Brownfield investment: learning from the others, harnessing their client info
- Combination: on the path to universalization, with clustering following mergers & acquisitions

## ● Configuration of society

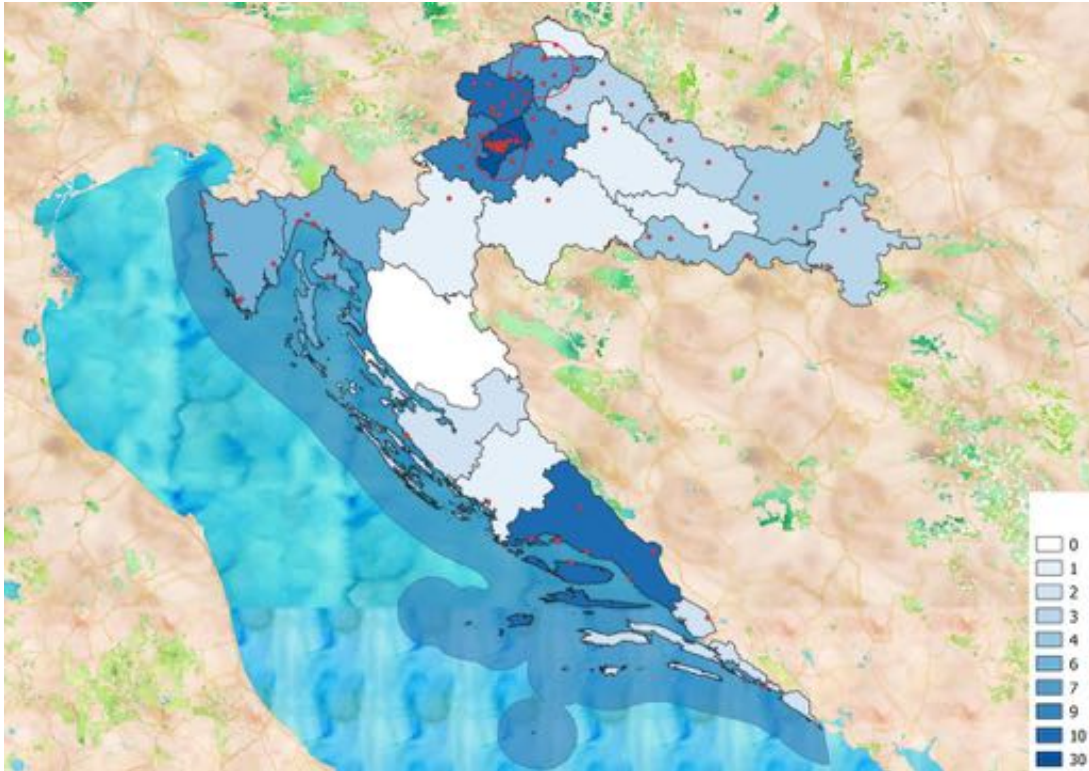
- The relationship between socio-economic variables and bank branch location: population loss 18%, a deep-seated relationship between banks and crises (Harvey)

# The development of identity and difference in the geography of banking

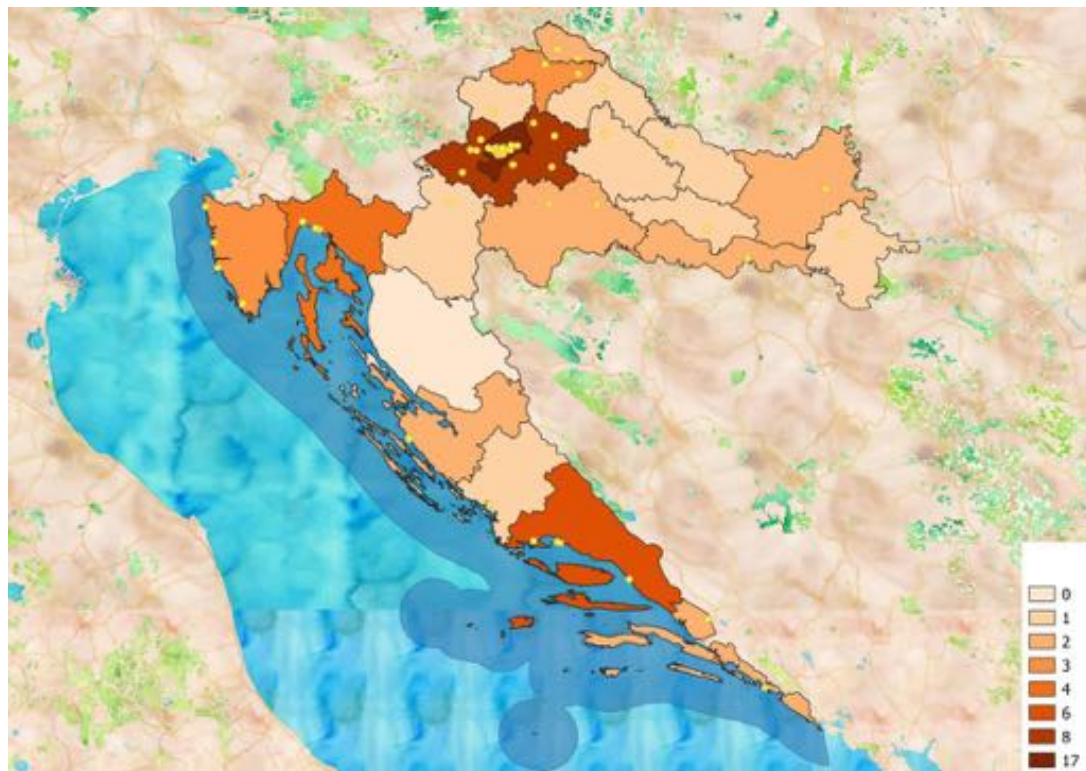
**Erste&Steiermärkische Bank**



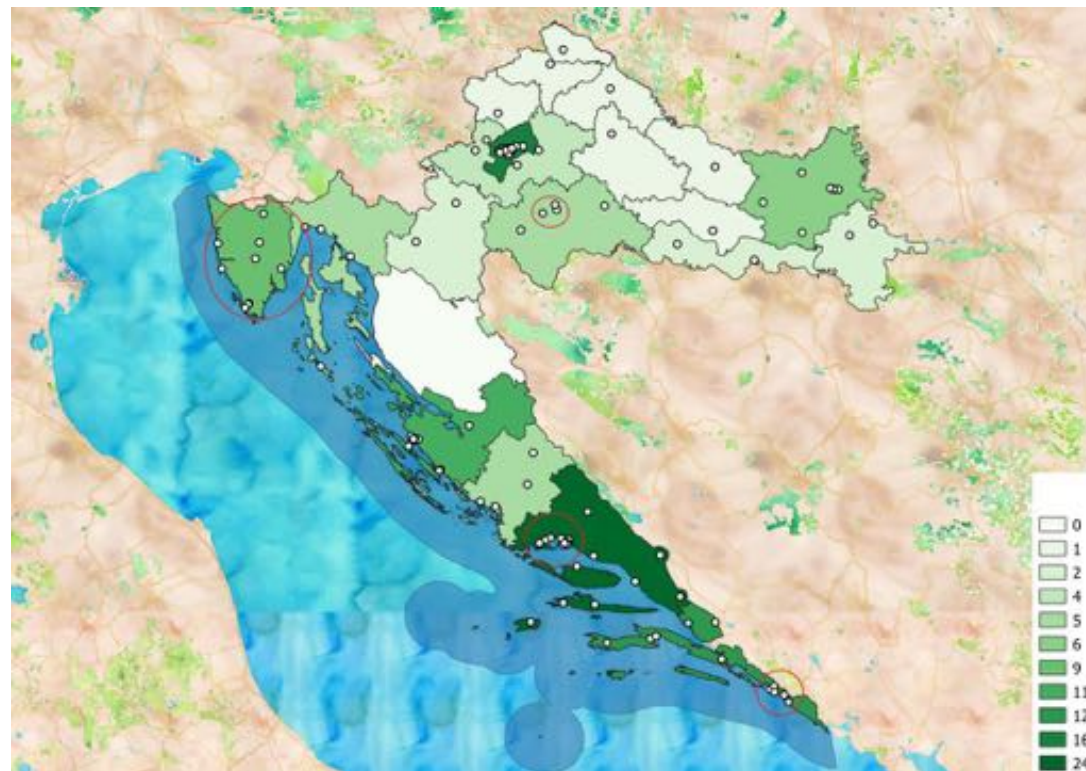
**Zagrebacka banka**



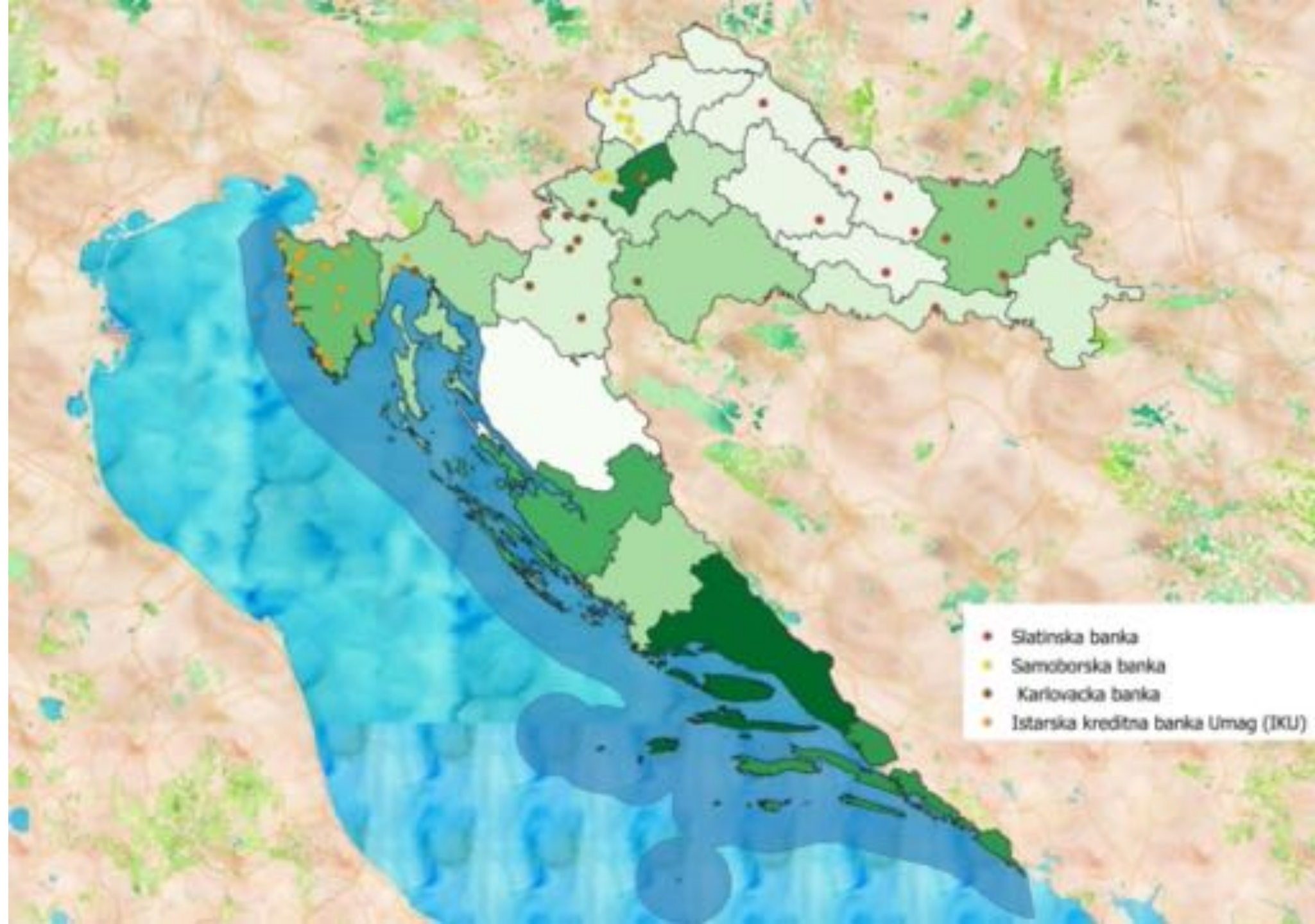
## Raiffeisen bank



## OTP Banka



# Regional bank geography





# Conclusions

## Follow the branch principle

- The geographic expression of the post-socialist transformation of banking

## Supplier-determined and rationed market

- Supplier, the bank, determines where branches will be located, market based on where do banks want to go, not necessarily where they are needed

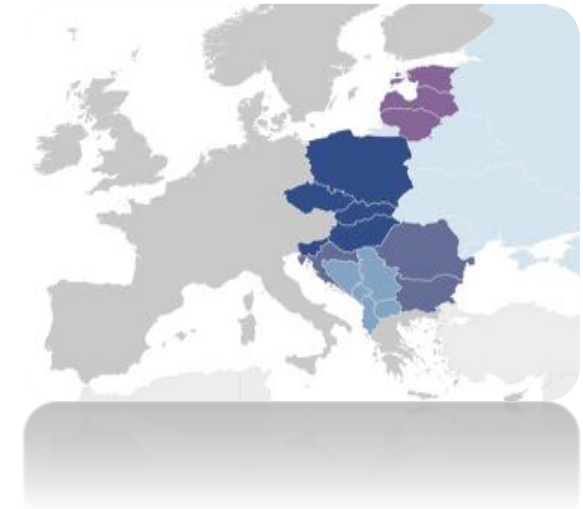
## Social changes

- Paralleled by the redefinition and reordering of the country's geohistorical units, with the particular neglect of previously flourishing industrial regions

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