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Risk-Taking of the European Banks in CEECs: The Role of National Culture and Stake Vs Shareholder View

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11.1 Introduction

Since the time that the Central and Eastern European countries (CEECs) opened their markets to accept foreign ownership of banks, starting the processes of privatization and internationalization (through inflows), the European Bank system has evolved by considering new strategies, in relation to this openness, above other forces such as competition, crises, regulation, innovation and so on.

In the literature, it is not yet entirely clear why European banks decided to go to CEECs. Explanations of this phenomenon can be found in excessive domestic competition (Andrieş and Căprarua 2014), or in the support of clients during the internationalization process, or simply a desire to expand their presence to new countries in order to

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ride the wave of competition. In any case, the number of foreign owners in these countries has increased and studies on performance or efficiency show different results, although only the results on the importance of CEECs for the establishment of foreign branches, subsidiaries and strategic acquisitions in the banking and economic systems are shared in the literature. Starting from the interaction between the current literature on risk culture in banks and the line of research on internationalization in transitional economies, where the issue of risk is more relevant than in other contexts, we develop a study focused on the influence of national culture on bank risk-taking.

The national culture is measured by Hofstede (2001) in six dimensions: power distance, individualism, masculinity, uncertainty avoidance, long-term orientation and indulgence. Not all dimensions are used at the same time in the literature about financial sector.

This study aims to understand the impact of national culture on risk-taking by the European banks investing in CEECs. In addition, we inquire about the ownership effect (shareholders or stakeholder owned banks). In a further index, we include concerns on the level of reform developed to account for institutional development in countries in transition. These elements and results contribute to the completion of the European context for the understanding of the banking system, revealing the internationalization behaviour of these types of financial institutions and giving the opportunity to make policy decisions or strategies concerning internationalization issues and bank regulations, especially for banking union goals and financial system integration. Our contribution to the literature serves as, to the best of our knowledge, the first study with an analysis of national culture and risk-taking of banks by ownership in CEECs, while other studies considered risk and internationalization from different points of view (Berger et al. 2015; Goetz et al. 2016; Ellul and Yeramilli 2013). Practitioners too will gain benefits from this work in their decision-making and planning strategies abroad.

This study elaborates the intersection of the studies on the relationship of national culture and risk-taking in corporations (Li et al. 2013; Mihet 2013) and the studies on risk-taking in banks (Bhagat et al. 2015;

Buch and De Long 2008). We regress risk-taking, the dependent variable, with two dimensions of national culture variables, the independent variables, to find if they affect risk in some direction. The control variables related to the banks and the country variables are necessary to evaluate the effectiveness of regression; two variables are about the countries, and the others give information on the bank itself.

This study is outlined as follows: first, there is a literature review that establishes a relation between national cultures and financial systems. The work continues with a discussion of the risks linked to internationalized banks or firms and the dimensions used to measure national culture. Second, the session data, the methodology and variables are described. Finally, the results are explained and discussed, and conclusions are drawn.

11.2 The Ownership Impact of the European International Banks on Risk Taking

The dimensions of National Culture (NC) affect the financial system mechanisms in different ways. The preference towards banks rather than stock markets of a country depends on higher uncertainty avoidance (Kwok 2006). Aggarwall and Goodell (2010) confirm and reinforce this result adding the inquiry of individualism and power distance, which imply a preference for equity markets when their levels are high. Individualism is conducive to long-term financing of growing firms in market-based systems (Lee 2000). Individualism is relevant for the firms' growth in the presence of financial constraints: in fact, when individualism is high, the obstacles are overcome through the ability of the entrepreneur or manager in relation to the bank (Boubakri 2016), while the power distance is negatively related to growth. It is clear the NC affects the behaviour of operators and the approach of financing firms; it reflects an evident importance of the NC for operators as well as for banks and their risk, especially if the bank internationalises. The expansion in other markets requires the management of the differences between countries of origin and destination, as well as tailored strategies

to arrange the business model and successful elements to survive the internationalization process: all these aspects make the risk evaluation of operations and financial services supply more complex.

The geographic expansion of banks mitigates risk, not through the impact of loan quality, but by decreasing idiosyncratic local risk (Goetz et al. 2016; Akhigbe 2003). Choi et al. (2010) find that the cross-border M&As lead to a stabilization of earnings, even if Buch and De Long had already shown in 2008 the reduction of risk for banks by acquiring foreign banks.

While the method of expanding abroad is an interesting topic, other relevant features can impact the risk of multinational banks, such as the distance of the country of destination from the country of origin and the levels of the dimensions of NC in the two countries.

CEECs are facing a change in their financial systems and banking structures, while the internationalization process has improved bank performance. The existing studies in this context reach different results in relation to the old and new Europe, likely according to the differences between these two areas. The liberalization process is continuing, and it is not to be taken for granted that the inflows will continue; in fact, the high quality of market discipline can be an impediment to foreign banks (Bertus et al. 2008).

In the literature, national culture is used to evaluate the risk seeking of firms, in fact, the behaviour of multinationals also depends upon the decisions made according to the cultural background of the employees within the firm. Likewise, in banks, decisions are affected by the national culture of the organization and managers (Carretta et al. 2010). Ownership is another important factor to understand the likelihood of preferring risky strategies (Mihet 2013). The propensity for risk should determine the choice of the country of destination since studies in this topic observe an impact of cultural characteristics on risk-taking. The observation of risk-taking allows us to understand if the risk culture of Western European banks internationalized in CEECs has encouraged more risk-taking, and if we find differences between the groups: Stakeholder Value (STV) and Shareholder Value (SHV).

The studies on risk culture in the banking system are few and they require an in-depth examination of cultural phenomena because one of the several variables can affect risk-taking in determining the riskiness of the bank itself. Even if the banks are treated as enterprises, we have to remember that they have a strategic double role of transferring financial flows and serving as an instrument for political economy. When they develop their own business, they cannot assume all of the risks, as in entrepreneurial activity; this is the reason why risk-taking is a relevant topic. The escalation of risk awareness in this type of financial institution implies constant attention to the changes in and evolution of regulation. In fact, from this view, they take entrepreneurship risks beyond the typical risk of their own businesses. The internationalization process is a particularly risky activity, especially in transitional economies, but in the current global world, it is a choice that has to be made in coherence with the other strategies and banks' own business model (Ferri et al. 2015; Ayadi and De Groen 2014).

One issue that has been studied less often is the impact of the ownership structure of the parent bank on the behaviour of the daughter bank. The Cooperative banks have been shown to take much less risk than profit-maximizing banks (Hesse 2007). However, it is not clear whether this finding extends to the daughter banks of cooperative groups.

Individualism and power distance are the two dimensions of NC in which we are interested. The first is more commonly used as an independent variable in finance and it always returns significant results, even if the meaning varies according to the aims of the author, so in Li et al. (2013) it predicts the rule of law, in Mihet (2013) it is the mirror of the decisions made by overconfidence and over-optimism (Ashraf et al. 2016). Instead, Boubakri and Saffar (2016) believe the ability to overcome financial constraints is approximated by individualism itself. If individualism is positively related with risk-taking, as shown in previous studies, we must predict a movement in the same direction, but it is necessary to remember the banks analyzed in this study are in a non-developed context with a banking structure not completely reformed, where results are not always aligned with other contexts.

HYP 1 Risk-taking of banks in CEECs increases if individualism increases in the same geographic area.

Power distance is the basis for the culture of risk; when this dimension is high, decisions are made without an effective dialogue between levels (Ashraf et al. 2016). The bottom-up process in assessing the environment is not applied because the communication channel is always vertical, but top-down (Boubakri and Saffar 2016). The culture of risk in the Bank Holding Company (BHC) is imposed in an authoritarian manner and the subsidiaries and branches lose autonomy (regardless of whether or not they keep the BHC's model). Reasoning in a prudential way strictly compliant with the procedure and without taking riskier decisions (Mihet 2013) restrains risk. This compliance with guidelines of the mother bank inhibits banks with high levels of power distance from taking greater risk.

HYP 2 Risk-taking of banks in CEECs decreases if the power distance increases in the same geographic area.

The European cooperatives can be affected by different features of the countries in which they operate (Fiordelisi and Mare 2014). The two models, SHV and STV, are both compatible with non-collectivism (Ferri and Leogrande 2015), so some ownership effect in terms of different models is expected. If HYP3 is true, the risk culture of BHCs is indifferent for evaluating the risk-taking of their daughters in countries where the reform of banking structure is not complete.

HYP 3 The banks that are owned by shareholders are related to risk-taking with the same sign of banks with stakeholders holding.

11.3 Methodology and Results

The national culture is measured by Hofstede (2001) in six dimensions: power distance, individualism, masculinity, uncertainty avoidance, long-term orientation and indulgence. The scores assigned are in a range of 0–100, and in our sample, the measure can vary from 20 to 80 for individualism with a mean of 44, while power distance is from 40 to

100 and the mean is 73; therefore, CEECs are not very individualistic and have a strong presence of hierarchical mechanisms.

Risk-taking measures can express the overall risk taken through the volatility of bank earnings (Std(ROA), with normalized ROA). In fact, a shared belief is that volatile earnings are the consequence of risky operations (John et al. 2008; Zhang 2009) and the risk embodied in long-term investment results from R&D investments (R&D expenses to capitalization) (Li et al. 2013). Mihet (2013) includes the z-score of each firm, and it is, therefore, interesting to evaluate the risk-taking of banks through z-scores (Ashraf et al. 2016; Bhagat et al. 2015; Berger et al. 2015; Mihet 2013) as well. Z-score is calculated as $Z = (\text{ROA} + \text{CAR})/\sigma\,(\text{ROA})$, where ROA is earnings before taxes and loan loss provision divided by assets, CAR is the capital-asset ratio, and σ (ROA) is the standard deviation of the ROA over the entire sample period. The Z statistic indicates the number of standard deviations that a firm's losses (negative profits) can increase to deplete equity, making the firm insolvent (De Nicolò 2000).

The other measures considered in banking are: distance to default and measures related to the stock market as bond yield spreads, volatility of bank stock returns and the variance of BHC's stock returns (Goetz et al. 2016; Choi et al. 2010; Buch and DeLong 2008); however, in this study we cannot use these types of variables.

The ownership measure is, as usual, a dummy to isolate the model of banks or the ownership of CEECs, thus we analyze: the banks owned by Western European BHCs, in turn, grouped into STV and SHV to capture different results by models, and banks with Eastern European owners, in turn, separated into the state-owned banks and branches and subsidiaries owned by private BHC formed CEECs. The crisis years are always isolated through the dummy: equal to 0 if until the year 2008 is excluded, 1 otherwise.

The data to measure the risk-taking are from Bankscope, and national culture data are from the website managed by Hofstede. The sample is composed of 328 Eastern European banks in 13 countries. Table 11.1 presents the statistical summary of variables of banks considered in the model, while Tables 11.2, 11.3 and 11.4 show the variables explanatory of financial structure in CEECs, both by all banks and groups studied, only a subset of these variables are used in the relation analysis.

Table 11.1 Summary of variables used in the model

Variable	Obs	Mean	Std. dev.	Min	Max
Z-score	1595	16.016	10.874	3.567	46.737
NC_PDISTANCE	1995	72	15	40	100
NC_INDIV	1995	43.688	18.385	20	80
Size	1995	6.910	1.692	1.811	10.778
NIM	1595	4.236	1.515	2.046	8.894
GDPcapita	1595	1.261	1.303	4.609	5.201

Note See Table 11.5 for variable descriptions

Table 11.2 Summary of key variables of the banking sector in CEECs

Variable	Obs	Mean	Std. dev.	Min	Max
Assets (M€)	1995	3377.531	6065.817	0.163	47962.312
Tier1	787	15.138	10.883	–15.9	211.655
Loans (M€)	1985	2028.211	3714.923	0.326	35503.710
TOT_DEP (M€)	1987	2683.735	4874.874	0.661	37805.251
CIR	1985	75.685	61.649	1.023	884.646
INTEXP_INT	870	3.696	6.295	0.12	265.582
OBS (M€)	1946	668.412	3782.901	–840.533	150318.445
NPR_GRLOANS	1207	11.064	11.906	0	95.9

Note See Table 11.7 for variable descriptions

To evaluate the effects of culture on risk-taking, we use the unobservable individual effects. While ordinary least squares (OLS) or general linear models (GLS) are not applicable because of the characteristics of the data set, some authors have overcome this objection through the hierarchical linear mixed model. When the variables to be checked are not several, there are other solutions to avoid collinearity. The data set is panel data, and the scores of national culture are time invariant as to years and they change country by country. The individuals (the banks) are not observable, so the problems of multi-collinearity are solved through the Hausman–Taylor (1981) estimator for error component models:

We create four different vectors, grouping different types of variables present in the panel and the (mu) catches the error-in-time-invariant variables and all those variables with problems of endogeneity. (Baltagi and Badi 2013)

Table 11.3 Summary of key variables of the banking sector in CEECs by West European SHV and ST banks

	WE SHV					WE ST				
Variable	Obs	Mean	Std. dev.	Min	Max	Obs	Mean	Std. dev.	Min	Max
Assets (M€)	802	4183.591	6601.572	1634.152	38162.051	346	4262.808	6067.896	10.670	36608.421
Tier1	356	15.5	8.1	–15.9	49.5	146	13.9	6.6	2.8	38.8
Loans (M€)	797	2546.199	3870.4	.500	24401.617	343	2506.994	3343.106	.326	18728.113
TOT_DEP (ME)	796	3350.626	5353.323	.661	30924.054	345	3454.084	4989.797	4.893	30073.182
NIM	660	4.262	1.492	2.046	8.894	279	4.071	1.398	2.191	8.894
CIR	797	71.799	59.84503	1.023	884.640	346	74.760	44.227	18.411	594.361
INTEXP_INT	755	3.855	9.677528	.12	265.582	323	3.195	1.569	.67	10.679
OBS (M€)	802	1036.341	5761.557	–840.533	150318.423	338	601.175	900.472	–4.771	4403.426
NPR_GRLOANS	506	9.729	11.038	0	95.991	228	9.929	8.056	.14	43.05

Note See Table 11.7 for variable descriptions

Table 11.4 Summary of key variables of the banking sector in CEECs by East European owned and State-owned banks

	EE ownership					State-owned				
Variable	Obs	Mean	Std. dev.	Min	Max	Obs	Mean	Std. dev.	Min	Max
Assets (M€)	626	2030.944	5230.751	12.636	47962.31	169	4447.783	8952.428	32.26458	47962.31
Tier1	230	15.3	16.4	0.43	211.6	66	14.8	9.9	4.8	61.0
Loans (M€)	624	1252.566	3693.227	3.235355	35503.71	169	2807.037	6414.188	3.235	35503.71
TOT_DEP (M€)	625	1590.687	4139.692	4.213787	37805.25	169	3434.962	7091.656	10.275	37805.25
NIM	483	4.275	1.649	2.046	8.894	130	4.703	1.838	2.191	8.894
CIR	621	83.272	76.615	17.749	767.474	167	82.017	57.480	20.058	656.757
INTEXP_INT	587	3.808	1.837	0.45	19.811	163	3.873	2.188	0.613	19.812
OBS (M€)	585	266.982	965.226	–3.6411	10736.342	159	611.885	1753.079	–3.641	10736.341
NPR_GRLOANS	372	12.490	12.379	0	87.61	100	15.872	13.836	1.84	87.61

Note See Table 11.7 for variable descriptions

The unobserved, panel-level random effect is assumed to have a zero mean and finite variance and to be independently and identically distributed (i.i.d.) over the panels.

The idiosyncratic error is assumed to have a zero mean and finite variance and to be i.i.d. over all of the observations in the data, and is the z-score.

The time-varying variables are assigned at two different vectors: (GDP per capita) with exogeneity, uncorrelated with variables and (size, EBRD score of banking sector liberalization: banre_intr, NIM) embodies the endogenous variables with which it is likely correlated. Both (Power distance) and (NC_Indiv) contain the time-invariant variables assumed to be exogenous in the first vector and endogenous in the second.

Table 11.5 Hausman-Taylor estimation with dummies

z_score	Coef.	Std. err	z	$P > \|z\|$	[95%]Conf. interval	
TVexogenous						
GDPcapita	–6.161	2.452	–2.52	0.012	–1.101	–1.371
stakev_bank	1.904	0.785	2.43	0.015	0.365	3.444
sharev_bank	0.723	0.627	1.15	0.249	–0.505	1.952
state_bank	1.554	0.847	1.83	0.067	–0.107	3.215
eeuropown	–0.778	0.703	–1.11	0.269	–2.156	0.600
crisis	2.400	0.208	11.49	0.000	1.990	2.809
TVendogenous						
size	0.781	0.212	3.67	0.000	0.364	1.197
banre_intr ~ i	–1.373	0.395	–3.48	0.001	–2.147	–0.598
NIM	1.359	0.120	11.29	0.000	1.122	1.595
TIexogenous						
NC_Pdistance	–0.458	0.119	–3.84	0.000	–0.692	–0.224
TIendogenous						
NC_Indiv	–0.441	0.107	–4.10	0.000	–0.652	–0.230
_cons	61.604	12.93	4.76	0.000	36.254	86.953
Sigma_u	13.501					
Sigma_e	2.706					
rho	0.961(fraction of variance due to u_i)					

Note TV refers to time-varying; TI refers to time-invariant
Hausman-Taylor estimation: xthtaylor z_score $xvars $dummies, constant (NC_Pdistance NC_Indiv) endog(NC_Indiv size banre_intrali NIM)
Global xvars NC_Pdistance NC_Indiv size NIM GDPcapita banre_intrali; global dummies stakev_bank sharev_bank state_bank eeuropown crisis; Number of obs = 1461; Group variable: id_bank, Number of groups = 271, Obs per group: min = 1, avg = 5.4, max = 10, Random effects u_i ~ i.i.d. Wald chi2(10) = 321.89, Prob > chi2 = 0.0000

The firm-level control variables are connected through *z*-scores, so size is always in positive relation with the *z*-scores. If it is confirmed, it will reinforce the results linked to the hypotheses, as the movement of NIM should be in the same direction as the dependent variable. The country level control variables have two dimensions: GDP per capita, often used for these types of studies, and the level of progress of reforms in the banking sector, used for CEECs.

The hypotheses about the relation between risk-taking and NC dimensions are significantly confirmed; when individualism and/or power distance increase, the z-score decreases, such that the HYP 1 is confirmed. The NIM and size have a positive relation with the z-score; these variables are firm-specific control variables and the coefficients have a predictable sign because NIM is an item related to ROA, and we thus have a corroboration of the effectiveness of the estimation run. The coefficient of the variable on liberalization of the banking sector also has a rational sign; in fact, when the liberalization and privatization level of a country is increasing, the stability initially decreases as a result of enhanced regulation (Table 11.5).

Table 11.6 Hausman-Taylor estimation by period of crisis

Z_score	Years < 2008[a]		Years > 2008[b]	
	Coeff.	$P > \|z\|$	Coeff.	$P > \|z\|$
GDPcapita	1.19	0.012	5.031	0.019
Size	0.833	0.005	0.268	0.192
banre_intr ~ i	–2.222	0.000	–1.601	0.000
NIM	1.014	0.000	0.985	0.000
NC_Pdistance	–0.584	0.000	–0.633	0.000
NC_Indiv	–0.580	0.000	–0.660	0.000

[a]xthtaylor z_score $xvars, constant(NC_Pdistance NC_Indiv) endog(NC_Indiv size banre_intrali NIM), if **crisis ==1**; Number of obs = 736; Number of groups = 221; Obs per group: min = 1; avg = 3.3; max = 4; Wald chi2(5) = 159.79; Prob > chi2 = 0.0000; sigma_u => 14.139543; sigma_e => 1.0554782

[b]xthtaylor z_score $xvars, constant(NC_Pdistance NC_Indiv) endog(NC_Indiv size banre_intrali NIM), if **crisis ==0**; Number of obs = 725; Number of groups = 212; Obs per group: min = 1; avg = 3.4; max = 6; Random effects u_i ~ i.i.d. Wald chi2(5) = 76.62; Prob > chi2 = 0.0000; sigma_u => 11.579777; sigma_e => 2.3533713

In particular, the stakeholder valued banks (cooperative and saving owned banks), and state-owned banks are related to the z-score in a positive, statistically significant way. Banks of Eastern European holdings have shown negative signs, even if this is not statistically significant. Thus, we can assert that the foreign-owned banks are negatively related to risk-taking, especially if the holdings are cooperatives or savings.

In Table 11.6, the effect of the crisis is investigated and any impact of the crisis is indicated; the directions of relations are confirmed if compared with the previous results.

Table 11.7 Description of variables

Variables	Description
Z_score	Z = (ROA+CAR)/σ(ROA), where ROA is earnings before taxes and loan loss provision divided by assets, CAR is the capital-asset ratio, and σ (ROA) is the standard deviation of the ROA over the entire sample period. The Z statistic indicates the number of standard deviations that a firm's losses (negative profits) can increase to deplete equity, making the firm insolvent (De Nicolo` 2000).
GDPcapita	It compares GDP on a purchasing power parity basis divided by population as of 1 July for the same year.
size	Ln(Total asset)
Tier1	Tier1 ratio %
loans	Loans in M €
TOT_Dep	Deposits and short term funding
NIM	Net interest margin (%)
CIR	Cost to income ratio (%)
INTEXP_INT	Interest expences/interest-bearing liabilities
OBS	Off balance sheet in M €
NPR_GRloans	Non-performing loans/gross loans (%)
crisis	A Dummy variable, 0 if year < 2008, 1 otherwise
State_banks	a dummy variable, owned by the state
Sharev_bank	a dummy variable, largest owner Western European shareholder bank
Stakev_bank	a dummy variable, largest owner Western European savings or a cooperative bank
eeuropown	a dummy variable, largest owner Eastern European bank

(continued)

Table 11.7 (continued)

Variables	Description
banre_intr ~ i	1 Little progress beyond the establishment of a two-tier system. 2 Significant liberalization of interest rates and credit allocation; limited use of directed credit or interest rate ceilings. 3 Substantial progress in the establishment of bank solvency and of a framework for prudential supervision and regulation; full interest rate liberalization with little preferential access to cheap refinancing; significant lending to private enterprises and significant presence of private banks. 4 Significant movement of banking laws and regulations towards BIS standards; well-functioning banking competition and effective prudential supervision; significant term lending to private enterprises; substantial financial deepening. 4+Standards and performance norms of advanced industrial economies: full convergence of banking laws and regulations with BIS standards; provision of a full set of competitive banking services. "+" and "–" ratings are treated by adding 0.33 and subtracting 0.33 from the full value. Averages are obtained by rounding down, for example. a score of 2.6 is treated as 2+, but a score of 2.8 is treated as 3–
NC_Pdistance	The extent to which less powerful members of a society accept and expect that power is distributed unequally (Hofstede 2001)
NC_Indiv	A society in which the ties between individuals are loose. Everyone is expected to look after himself and his immediate family only. Collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty (Hofstede Hofstede 2001)

11.4 Conclusion

Building a new body of literature about risk culture is necessary to make an analysis of the determinants of risk-taking. In financial intermediation, the national culture can explain not just the success of operations abroad, but the economic results of banking activities as well, as these are strongly influenced by the degree of risk taken. The issue of risk is fundamental in multinational banks given that the country of

destination has an impact on risk for the branch or subsidiary, especially in terms of culture.

Individualism and power distance significantly affect the risk-taking as measured by z-score. The same direction of individualism and risk-taking can be explained by the probable presence of financial constraints, that implies a greater relation between people during the negotiation and the increase of the presence of relationships in banking. Low-levels of collectivism always imply more negotiation, leading to a more carefully considered granting of loans, but not necessarily one that is better informed of the relative risk. The direct relation of the bank with a manager or entrepreneur could force the assignment of the loan, independent from the actual project risk.

From the point of view of branches and subsidiaries, we find lower risk-taking if the power distance dimension is low. When the autonomy of daughter banks is lesser, as in the case of higher level power distance, the risk assessment procedures are less flexible, resulting in a lower level of risk or at least the risk required by BHC.

The control variables give reasonable signs, for example the positive relation of the EBRD index, which means the level of reform to liberalize, privatize and regulate the banking sector in CEECs, increases, at least initially, inducing instability. This result suffers the limits of the measure we used as a proxy of risk-taking. The coefficient of the size is positive as usual.

The results on SHV and STV suggest that banks with cooperative BHCs in CEECs have the same behaviour as commercial banks when facing the cultural characteristics of a host country; it can likely be caused by the homogenous instability of CEECs submitted to constant reforms.

The results obtained by this study may help regulators to consider the different models in daughter banks' global operations and could assist professionals in planning risk management and internationalization activities due to the analysis of NC in the country of destination. The contribution we make is to build the literature on the relevant topic of risk culture in banks, especially in terms of internationalization.

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