



“Does Interstate Branching Deregulation Increase Bank Efficiency?”

(in English)

Presenter: Ms. WANG Yiwei
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Date: 30 April 2014 (Wed)

Time: 11:45 am – 12:45 pm

Venue: WYL314, Dorothy Y. L. Wong Building

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Co-supervisor: Prof. RAN Jimmy (Associate Professor)

Abstract:

Starting from the 1970s, US states gradually relaxed geographical restrictions on bank expansion. By 1994, most states allowed intrastate branching and interstate bank ownership, but interstate branching was still restricted. In the same year, federal legislation — the Interstate Banking and Branching Efficiency Act (IBBEA) — permitted banks and bank holding companies to expand across state lines. However, states were granted certain rights to erect barriers to branch expansion. I show that the differences in states’ branching restrictions affect competition and bank efficiency. In states which are more open to branching, bank holding companies (BHCs) are more efficient than BHCs operating in less open states. As less open states deregulated in later years, the difference in efficiency becomes smaller.

ALL ARE WELCOME

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