Belke, Ansgar; Dreger, Christian (2019): "Did interest rates at the zero lower bound affect lending of commercial banks? Evidence for the Euro area", Journal of Economics and Statistics, 239/5+6, forthcoming.

Bankscope data: loans etc.

For our analysis we use bank-level data from Bankscope, a source containing detailed financial information about public and private banks. Our sample covers banks in Euro area countries in the period from 2000 to 2015, thus including the financial crisis and government debt crisis in Europe. The data frequency is annual, and data are used on a consolidated balance sheet level, thus not accounting for any intra-group liabilities.

We only use active banks which still reported to Bankscope in 2015. For our analysis, we only retained banks belonging to one of the following groups: bank holdings and holding companies, commercial banks, finance companies, private banking and asset management companies, real estate and mortgage banks, cooperative banks and savings banks. A few outliers have been removed, such as banks with negative net loans. The focus on active banks reduces the number of cross sections from 706 to 486. From the active banks 105 are savings banks. Most banks and savings banks are located in France, Italy and Germany.

Due to large gaps in the data, the panel is highly unbalanced.

Regulatory environment:

The indicator for the changes in banking regulation is provided by Barth, Caprio and Levine (BCL). It is based on banking surveys for 1999, 2003, 2007 and 2011. The index includes many components like capital requirements, the powers of national supervisory agencies, information disclosure practices, external governance mechanisms, deposit insurance, barriers to entry and loan provisioning. Due to the high correlation of the components, the analysis focuses on capital stringency, i.e. capital requirements that reflect certain risk bearing elements. The index is rank scaled from 0 to 7, where higher values mean stronger regulation. For the period after 2011, the index is extended with the help of regulatory experts from the Bundesbank.

Macroeconomic variables:

Three-month Euribor interest rate and GDP from the Federal Reserve Economic Data of St. Louis Fed (FRED), house prices from the European Central Bank Statistical Data Warehouse. The macroeconomic data refer to the euro area aggregate.