

# THE GLOBAL CRISIS AND THE BANKING SYSTEM OF ROMANIA IN THE YEAR 2009

Jenica POPESCU, Prof. dr.  
University of Craiova,  
Faculty of Economics and Business Administration

**Key words:** financial crisis, banking system, risk, financing sources

## Introduction

The financial system of Romania evolved in conditions strongly influenced by the manifestation of the global financial-economic crisis. At the beginning of the crisis, the Romanian economy had travelled through a period of many years of economic growth, accompanied however by the accumulation of a relatively important external deficit, as well as the increase of the external debt on short term. The banking sector faced well these pressures.

The banking system from Romania evolved under the impulse of the foreign investors and of the conditions of entering in the European Union. Today, the Romanian banking environment is a very concentrated market, held in majority by foreign banks, which possess more than 90% of the banking assets. There are 41 banks, of which 29 according to the Romanian law. Among these, only 4 have a Romanian capital in majority. There are 12 branches of European foreign banks. From the point of view of the activity, the great majority of banks have a general character, existing only 2 banks specialized in real estate credit and one specialized in car credit.

The total of the banking assets exceeds 79,6 billion euros, of which 60% are concentrated in the first five banks of the system. As for the banking credit is concerned, the growth rhythm was very strong, reaching up to 68,9% during the period 2006-2007.

The credit structure is still very unbalanced, 78% of the credits being of consumption on long term. At present, due to the financial crisis, the credit sector felt to the full the lack of liquidities that paralyzed the process.

At the same time, we must underline the fact that the Romanian banking sector knew how to modernize its infrastructure before the European regulations imposed this thing. Until the half of the year 2008, the growths in the Romanian banking environment had two numbers, the geographical allocation of the development was uniform and the regulations system became accordingly to the norms of the European Union. Moreover, the communicational and computational infrastructure is up to date, observing the international standards.

With a small gap, the repercussions of the deterioration of the external economic climate on the Romanian economy also manifested, with negative

consequences on the quality of the credits portfolio, the credit risk remaining the major vulnerability of the banking sector.

The National Bank of Romania reacted to the new threats by:

liquidity assurance;

a stricter monitoring of banks;

measures to improve the prudential regulation background.

For Romania, the actual external climate has an impact by:

the worsening of the risk perception, including by association with regional evolutions;

the contraction of the external sale markets;

difficulties with the external financing;

at macroeconomic level the doubling of the liquidity risk with the solvability risk.

This situation affects more and more conspicuously the financial system from Romania, in which the main role is played by banks.

### *1.1. The financial channel – a modality to penetrate the international financial crisis in Romania*

A high weight of the external capital in the structure of the resident banking liabilities, can create important vulnerabilities (for instance by the reductions of the financings from the mother-banks to the branches from Romania). At the same time, the increase of the prudentiality of the international banking system may increase the cost of the external private credit, fact that, on one hand will lead to the reduction of liquidity from the banking system and, on the other hand, may lead directly to the increase of the cost of the non governmental internal credit (both at non banking level and on the inter-banking market), if, however, the resident banking system resorts to external refinancing.

Thus, as a final result, the problem of external financing (that is the problem of the structure of liabilities from the resident banking system) can manifest in the form of the drastic reduction of the financing capacity of the internal private sector (it has no relevance, of course, the fact that this reduction of the financing capacity is the effect of the lack of liquidity or the effect of the excessive growth of the prudentiality of the resident or external banking system).

This diminishing of the financial intermediation can lead to massive and possibly irreversible destructurements of the real economy system. For instance, the dismissals (especially at the level of qualified employees) can have an irreversible effect on the capacity of the companies concerned to retake the activity.

It seems that, at structural level, the cause of the actual financial and economic crisis is represented by the excessive autonomization of the nominal flows in report with their support assets from the real economy. On one hand, the securitization circuits of the banking credit, on the other hand, the circuits of formation and acquisition of the financial derivatives (both being vehicles of the autonomization of the nominal flows in report with their support assets) created what it was called a portfolio of “toxic assets”.

The greater the weight of these toxic assets in the assets portfolio of a bank (or of a banking system) is, the more the bank (or the banking system) concerned is more exposed to the effects of the crisis, once it was triggered. The explanation is that the economic relations (so inclusively the financial ones) usually develop between economic or financial centres which have structural performance similitudes. Thus,

through this nominal channel, represented by the structure of the banking assets, the international financial crisis circulates with speed and amplitude. We talk about a sort of contagion based on structural similitudes.

The capital migration is one of the most reactive nominal phenomena at the impact with an international financial and economic crisis. The economic rationality of the capital migration is based on an optimum between the valorization coefficient and the risk coefficient. When this report becomes unfavourable, the capital will migrate in the direction in which the fructification, corrected with the risk, is maximum.

The effects of the financial crisis (both those manifested and those expected – no matter how substantiated these expectations are) can reduce in a drastic way the justifications of maintaining the capital stock and subsequently it will come out (with the well known effects on the internal liquidity or on the balance of the current account). Moreover, the capital migration (more precisely the capital emigration) can also happen outside a clear economic rationality: it is possible, that, especially in case the capital structure is in favour of the foreign capital, necessities of the origin economy of the capital be at the basis of a decision of withdrawal of the capital even if the standard economic rationality would suggest its maintaining in the destination country.

From here a series of debates regarding the possibility to reconsider certain national measures with protectionist character.

In conclusion, through the financial channel the actual crisis limits the access of Romania to the external financing, and, thus, it restricts the volume of crediting and generates difficulties in the service of the private external debt. This can be materialized through:

crediting stoppage. In the year 2009, the banks were much more reticent in giving credits, among their reasons we indicate:

they did not know what tomorrow might bring;

their needs of capital were not clear;

they had to preserve the cash in order to face difficult situations.

The spread of CDS (Credit Default Swap) increased, returning to a descendent trend after the F.M.I. and U.E agreement.

Relatively great spreads between the interest of B.N.R. and ROBOR;

Moving the accent from the market quote to the evaluation of the customer's risk.

### *1.2. The evolution of the banking system in Romania in the year 2009*

The internal macroeconomic evolutions have an important impact on the health of the financial system. A new vulnerability is represented by the economic contraction materialized in the year 2009, which equalizes the worsening of the financial position of companies and the increase of unemployment, with negative repercussions on the financial system, especially on banks.

Another new challenge for the financial stability has as origin the banking system itself: the reduction of the access to the internal financing may generate severe constraints in the reimbursement of the debts of the companies.

The banking sector continued to register indicators of financial health in the positive spectrum, being well capitalized and with remarkable financial results.

The analyses of stress testing indicate a good capacity of absorption of certain moderate shocks. Two vulnerabilities manifest themselves more conspicuously, fed by the global economic and financial crisis:

The credit risk;  
The liquidity risk.

Starting with the last period of the year 2008, a more accentuated deterioration of the quality of the credits portfolio is registered, reflecting especially the slowing down of the economic activity and the depreciation of the rate of the national currency. The deterioration is not uniform, the greatest banks registering higher levels of arrear and doubtful credits.

Despite the faster worsening of the credits portfolios lately, as a whole the quality of these portfolios is favourably framed in the European context. At the same time, the covering degree with commissions of the non performant credits from the balance sheets of the credit institutions from Romania is higher to the degree reported by many countries in the European Union.

The adaptation of the capital is good both at aggregate level and at individual level. The persistency of the effects of the global economic and financial crisis brings however to the present interest the necessity for banks to reinforce themselves in order to face powerful potential shocks.

In this respect, the National Bank of Romania decided, as prudential measure, that the banks assure and maintain, at least in the period 2009-2010, a level of solvability of minimum 10% (this measure being also recommended by F.M.I.). At the same time, in order to evaluate the need of supplementary capital corresponding to the solvability threshold established in the conditions of a possible worsening of the economic environment, B.N.R. agreed with F.M.I. the demonstration of certain scenarios of stress testing of banks. The results of these scenarios indicate the level of the own funds after the application of the set of shocks and, implicitly, the necessary funds in order to reach the solvability rate of 10%. This stress testing exercise based on stress factors rediscovered in the economic program of the Government, applied to all banks. In the conditions of the basic scenario, used in testing, the own funds diminish with circa 21% and the reaching of the established solvability threshold would require a supplementary contribution of capital of about one billion euro. The banks found in the situation to bring supplementary funds, confirmed the intention of their shareholders to observe the solvability requirement of minimum 10% for 2009.

*The liquidity risk:*

The central banks from the origin countries of the Romanian banking capital injected important amounts in their financial systems in order to retake crediting and the functionality of the monetary market. These injections had a different impact on the financial resources of the Romanian branches: some registered increases of their own and external receivables capitals while in others the situation was opposite. In these conditions, the role of the funds attracted from local plan tends to become more and more important.

*The solvability risk:*

It is anticipated that the economic-financial crisis generates important losses worldwide. The estimations of F.M.I. show that they could totalize about 4.000 billion dollars, of which two thirds are situated in banks. The diminution of the world economic activity and the materialization of losses will generate, by contagion, implications on the local banking sector as well and on the real Romanian economy (see table 1).

Thus, the economic diminishing from the origin countries of the Romanian banking capital, will increase the difficulties of debtors from these countries to honour

the duty service. The solvability of the mother-banks will be affected, the problems thus created being added to those of liquidity. Subsequently, the need of capitalization of the mother-banks will diminish the resources that they might direct to the branches from abroad.

The non resident shareholders of the companies of Romania might encounter difficulties in keeping their trans-border investments at the same level. As an effect, the native companies held by foreigners might register a diminution of the financing coming through this channel, fact that might affect their activity. These companies hold a relatively significant weight in the total of the internal banking credit (almost 15%), in the formation of the added value from the economy and in the external debt of Romania (over 40%, both from the debt on short term, and from that on average and long term, in March 2009).

Tabel 1

**The components of the contagion of the international crisis (December 2009)**

*The dynamic of the banking assets*

% (I) through the Romanian banking sector			(II) through the economy of Romania			
The origin country of the shareholding	PIB for 2009	Weight in the capital of the Romanian banking sector	The origin country of the shareholding	PIB for 2009	Share in	
					Internal banking credit	VAB *
Greece	-0,9	30	Netherlands	-3,5	2,2	6,8
Austria	-4,0	24	Italy	-4,4	1,3	1,5
Netherlands	-3,5	12	France	-3,0	1,2	3,0
Italy	-4,4	6	Germany	-5,4	1,2	3,7
Hungary	-6,3	6	Austria	-4,0	0,9	3,6
France	-3,0	6	Turkey	-3,7	0,6	0,5

*The dynamic of the banking assets*

The most important component of the aggregated assets continues to be represented by internal assets, the decisive contribution belonging to the creances on the local non banking sector, in which are focused more than a half of the volume of banking assets. The growth speed of the credit given to the private sector attenuated in a sensitive way starting with the last trimester of the year 2008, reaching the lowest level in the last three years. The growth rhythm of the credit given to the private sector, in nominal terms, diminished from 50,5%, at the end of the month of September 2008, to 33,7% at the end of the month of December 2008, to 23,1% at the end of the month of March 2009 and to 11,3% at the end of the month of December 2009. The rhythm diminishing was more accentuated in the case of the loans in lei, so that the weight of the credits in estimates from the total loans given to the private sector continued to grow, reaching the highest value in the last three and a half years (59% at the end of the month of March 2009), effect due almost entirely to the depreciation of the leu. Both sectors (companies and population) registered decreases of the dynamic with

almost one third confronted to the previous period, so that on 31<sup>st</sup> March 2009 each of them was holding one third of the aggregated assets.

*The evolution of the own financing sources, attracted and borrowed*

In the structure of the receivables of the Romanian banking system the domination of the internal component is distinguished, the decisive contribution belonging to the deposits attracted by the non banking sector, which represents almost a half of the volume of the non banking receivables.

Although they are decreasing, as a weight in the balance sheet receivables, the deposits attracted from companies and population continue to represent the main financing source for the credit institutions. The reduction of the growing rhythm of deposits, on both components (companies and population) happened on the background of the deterioration of the economic climate and of the expectations regarding the perspectives of the economy and incomes. In the case of overnight deposits, the decline of the dynamic manifested both at the level of the placements in lei, and at the level of those in foreign currency in the case of population, while in the case of companies, the decline was felt at the level of the deposits in estimates. The growth of the interest rates at new deposits on term, as well as the non taxation of the incomes in the form of interests at deposits on term and saving instruments, laid at the basis of the migration of customers from the overnight deposits to the deposits on term.

The main objectives to be fulfilled by the banking sector from Romania

During the year 2009, the countries that had a competitive advantage from the point of view of the industrial production without having a sophisticated banking system faced more easily the world crisis. The conclusion is that not the crediting activity is the one that makes the economy vulnerable, but the way it is used for consumption or for investments in activities generating profit on long term.

This aspect was also noticed by the government of Romania who underlined the necessity to promote a national economy capable to satisfy the internal demand. At the same time, the prime minister underlined the necessity to avoid the increase of consumption based on the credit with no answer from the local manufacturers. However, the Romanian government did not present a clear strategy on long term regarding the stimulation of the economic agents manufacturers of goods and services.

Without a clear strategy to promote important activity fields for Romania, the restarting of the crediting activity would generate a new “bubble” in the field of consumption, not sustainable from the real point of view.

In this direction only the coordinated intervention of the government, with real measures, can determine the relaunch of the national economy based on investments that will further generate consumption and not consumption on the basis of the future gains.

In Romania, even in the actual situation, there is a very high growth potential confronted with the Western Europe, because the bancarization rate of the population is of only 52% still far away from those 70-80% from the Central Europe. The offer of banking products can be further on developed, the IMM-es financing can be improved, these being other fields that give hopes that in the Romanian banking environment further increases exist. All these hopes find themselves under the reserve of an anti-crisis plan that should unblock the crediting process and reduce the effects of the

economic crisis. According to the B.N.R. data, at the middle of the year 2009, 11,76% of the credits total portfolio from the system was classified in the categories “doubtful” and “loss”.

The maturation of the banking system from Romania is one of the things expected in the following period. This maturing implies reaching the critical size, the specialization according to the needs of the customers, and, especially, the accentuation of the activities of knowledge and loyalty of customers. In this respect, a major progress was achieved and the evolution will continue until reaching the level of the western institutions.

The local banks increased their own capitals with 225 millions euro from March until September 2009.

More banks had to increase their capital in order to improve their solvability during the year.

At the end of the month of December 2009, the solvability indicator at the level of the system was of 14,0%, having grown from 11,9%, in September of the year 2008. The banks have own capitals of 6,6 billions euro. The level is with 0,4% lower, in real terms, toward September of the year 2008. In this interval, the banks increased their total capitals with 468 millions euro.

In the spring of the year 2009, BNR developed a series of stress tests in the preparation of the agreement with FMI, from which resulted that banks needed to bring 1 billion euro to the capital in order to maintain their solvability over the agreed level of 10%. In the autumn of 2009, the central bank developed a new set of tests, requiring to the banks more data than in spring.

It was discussed with the nine groups also the problem to reduce exposure on Romania with almost 2% toward the level from March 2009. The reduction means 0,7 billions euro. Some banks have even super-unitary exposures, they brought money since then. A few, for a temporary period, accomplished operations with the mother-banks. It is a reversible flow, “take money and bring it”. The banks motivated they did not have instruments available in which they could place their liquidities.

The officials of B.N.R showed that the requirement of the banks to adopt the commissions system according to the format of the international standards of financial reporting (IFRS) against the local one, cannot be made without completely changing the bookkeeping.

The bankers required B.N.R. to allow them make commissions according to IFRS, in the conditions in which the local standards (RAS) are much tougher, generating this way further expenses. However, the banks required a derogation from the integral adopting of the accountant principles of IFRS, especially concerning the periodical adjustment of the assets value at the market price (mark to market).

Banks wish to continue their discussions with B.N.R., at least in order to modify the provisions regarding the constitution of commissions for the restructured credits. At present, the regulations of the central bank provide that a credit for which reorganizations or rescheduling are operated be situated in the category of “loss” without the possibility to be registered in the future in a superior class, even if problems no longer occur. It is hoped that this problem is solved in a short period of time.

The social / endowment capital of the credit institutions totalized 14,4 billions lei in December 2009, increasing with 3,2 per cent in real terms confronted with the end of the year 2008. The majority private capital remains preponderant (87,8 per cent), but

slowly decreasing due to the modifications appeared at the level of the capital of the foreign banks branches , but also to the capital increase made at the level of CEC Bank.

The net aggregated balance sheet assets of the banking system registered a total of 330,6 billions lei at the end of the year 2009, a level similar in real terms to the one reported in December 2008. In structure, the private segment continues to hold the main position (92,7 per cent) diminished however in favour of the public segment (with 2,1 percentage points).

The stagnation of the aggregated net assets was allocated mainly to the divergent evolutions registered by the main components. On one hand, the crediting activity of non banking customers restrained with 4,4 per cent in real terms confronted with the end of the previous year, the weight of this segment decreasing with 3 percentage points (until 60,2 per cent). On the other hand, the preference of the credit institutions for placements in state titles accentuated, their weight in the structure of the net assets growing significantly (from 3,3 to 7,9 per cent). The reorientation to this type of instruments with low risk happened in a very alert rhythm (145,3 per cent in real terms), in the conditions of the risks increase associated both to the non financial companies and to the population. The restrain of the crediting of the private sector manifested during the entire period analyzed (- 3,6 per cent on 31<sup>st</sup> December 2009), being determined both by the hindering of the demand and of the offer. Thus the demand for loans continued to be affected by:

The restrain of the economic activity and the pessimism regarding its perspectives;

The persistence of the negative expectations regarding the re-establishment of the financial situation of the population.

In the field of the credits offer an accentuation of the prudence of the credit institutions was noticed, manifested by:

The hardening of the crediting standards and terms;

The increase of the holdings of state titles.

According to the destination of the private credit on institutional sectors, both the dynamic of loans to the population and that of the credits for companies became negative, the annual real rates of increase reaching to -3,6%, respectively -3,7%. Structure modifications were not registered, the credits to the population maintaining their slightly superior weight (50,1%).

Within the retail component, the consumption credits continue to hold the main position (72,7%), their weight decreasing however with -1,6% confronted with the end of the year 2008, following the difference of favourable rhythm for the dwellings credits. Thus the annual real dynamic of real estate credits maintained in the positive territory (+10,8%) unlike the consumption credits (-5,7%). The tendency manifested in the conditions of the differentiated hardening of the crediting terms, more accentuated in the case of consumption credits, as well as of starting the program "First house". The preference for foreign currency characterized both types of credits: 93% for the mortgage credit (comparatively with 92,1% on 31<sup>st</sup>December 2008), respectively 50,5% for the consumption credit (growing confronted with December 2008 with 1,9%). Besides, the weight of the credit in foreign currency registered a consolidation with 2,4% in the structure of the non governmental credit (up to 60,1%), on the background of the accentuation of the decline of the credit in national currency (-9% annual real variation) comparatively with the one in foreign currency (-1%).



Also the evolution of the private credit on due times indicates negative real rhythms for all types of credits, more accentuated in the case of credits on average term (-9,7%) and on short term (-4,3%). As for the credit on long term is concerned, the contraction had a smaller amplitude (-1% on 31<sup>st</sup> December 2009), confronted with an increase with 33,8% at the end of the year 2008. The sudden interruption of the strongly ascendant trajectories from the last years (real rhythms of two numbers) was determined mainly by:

The worsening of the economic situation during the year 2009;

The severe compression of real estate investments;

The increase of the weight of the non performant credits in the banks portfolio;

The increase of the collateral associated risk.

In structure, following the difference of favourable rhythm, the credits on long term consolidated their position until 57,1% (increasing with 1,5% confronted with 31<sup>st</sup> December 2008), the credits on short and average term continuing to hold similar weights : 22,9%, respectively 20% in the total of the non governmental credit.

The analysis of the main indicators of bank prudence indicate the maintaining of the solvability rate at a comfortable level (14%) in the year 2009 too. In exchange, the effects of the prolonged contraction of the economic activity can be found again in the corresponding deterioration of the credit and liquidity risk indicators. Thus, the rate of the credit risk increased 2,3 times (until 15,3%) on the background of the increase of the weight of arrear and doubtful credits in the total credits (to 1,46%). At the same time, the liquidity indicator reached the level of 1,4 in December 2009, visibly decreasing toward the previous year, due to the introduction of certain more exigent requirements regarding the calculation of this indicator.

The profitability indicators also registered significant reductions, maintaining however in the positive territory.

The retail banking market already reached stability concerning the number of actors and the rules of entering on the market. The banking institutions must continue to focus on obtaining new customers and on the loyalty of the existing customers in order to organize their growth in a lasting manner. A big part of the banks customers use their services at minimum. In order to increase banking education of the population, banks must develop more and more the art of making their customers loyal to them. In this respect, they will have to be more and more focused on services that facilitate the relationship between bank and customer like internet banking and banking CRM (Customer Relationship Management) .

The middle class exists and needs saving instruments and pertinent investments, the IMM-es continue to develop and search for innovative financing offers. To them is also added the necessity to adapt the new European directives regarding SEPA (Single Euro Payments Area) to the politics against money laundry also, which have a great impact on the banking world of the European Union. The Romanian banks prepare their field in order to become viable competitors in the entire Europe. At the same time, the crisis also raised a few strategic priorities much more important. Among these are:

Finding the liquidity resources at customers from Romania and not at mother institutions from E.U.;

Finding the adequate formulas in order to restart the crediting process for natural persons and for enterprises after an intelligent negotiation with B.N.R.;

Finding the internal resources in order to reduce the interests to bearable values for customers.

On a market where, even in the actual conditions, an optimistic increase rate is estimated at 3-6% for the year 2010, the Romanian banking system will continue to develop new services and offers. The solutions of internet-banking, specialized banking CRM and private-banking come to the support of this development.

Commitments on long term are avoided in the actual financing conditions, many of the investments projects from this period being postponed. The credit institutions expect that in the first trimester of the year 2010 the demand of credits on short maturities maintain at the level of the fourth trimester of the 2009, while on longer due terms be supplementary reduced.

The first signs of recovery of the market of corporate credits should have coincided with the reduction of the obligatory minimum reserve at deposits in foreign currency by B.N.R., subsequent to the agreement with the International Monetary Fund and the return of these funds by means of the commercial banks in the real economy.

It is hoped that the market of the corporatist credit recovers somewhere in the fourth trimester of the year 2010, this fact being the consequence of the investments developed both by private investors and by the Romanian state.

## **Conclusions**

The most severe economic analysis and the calmest and most balanced interpretation of the recent economic and financial events lead to the conclusion that the central banks stand no chance of success in finding the most advantageous monetary solutions for every moment.

In these conditions, the most suitable politic would be the liberalization of economy at all levels (with focus on the work market) in order to allow the rapid reallocation of the production factors (especially work) to the profitable sectors. At the same time, it is essential to reduce public expenses and duties, in order to increase the income of the economic agents very indebted who have to return the loans as soon as possible.

The economic agents, in general, and enterprises, in particular, cannot improve their financial situation but by reducing costs (especially those concerning wages) and by returning the credits. For this purpose it is very important that a very flexible work market exists and also a more severe public sector. These factors are fundamental in order to find out as soon as possible the authentic value of capital goods produced by error and to put this way the basis of the healthy and sustained economic relaunch.

As for Romania is concerned, according to the opinion of the governor Mugur Isărescu the massive capital inputs generate, in time, recession situations. This opinion is based on the researches made and generates the following question: Why no central bank could predict the economic crisis? Moreover, after the crisis appeared, why the analysts of the National Bank of Romania did nothing in order to prepare the Romanian economy for economic recession? The simplest answer is that practically all over the world the banking surveillance systems took a holiday. After the crisis started, the representatives of the central banks tried various explanations regarding the lack of vision on short, average and long term.

All these explanations can be synthesized by the affirmation of mister Greenspan that "the existence of a bubble cannot be recognized but when it breaks".

At present the main question connected to the economic crisis changed. It is now: when do we pass over this negative phenomenon? If we noticed that this crisis was anticipated by the massive capital inputs then we can logically predict that this theory will also apply in the second part, and that is the countries that entered the crisis benefiting from massive capital inputs will pass over the crisis period harder than the other countries.

Even if theory may differ from practice, however this variant of a prolonged crisis should not be not taken into consideration by the National Bank of Romania. If at the beginning of the crisis the Romanian authorities denied it, at present we can draw the conclusion that they are deluding themselves we passed over this phenomenon.

Since we do not correctly predict reality, it is very likely that this thing affects us in the not far away future. The lack of coherence of the Romanian authorities added to the lack of vision determine the existence of the probability of the crisis continuation during the entire year 2010.

The Romanian banking system, even if it is better organized than other fields of activity, cannot exist outside the Romanian economic context. If the Romanian economy remains in crisis the banking system will also suffer from it.

## REFERENCES

1. Cooper, G. (2008) - The origin of Financial Crises: Central banks, credit bubbles and the efficient market fallacy, Harriman House Ltd, Petersfield;
2. Cohan, W. (2007) - The Last Tycoons, Doubleday, New York;
3. Dănilă, N., Anghel, L., Dănilă, M. (2002) - *Bank liquidity management*, Economic Publishing, Bucharest;
4. Friedman, B. (2005) - The Moral Consequences of Economic Growth, Knopf, New York;
5. Nițu, I. (2002) - *Principles of bank profitability*, Expert Publishing, Bucharest;
6. Oprețescu, M., Popescu, J., Manta, A. (2009) - Currency, credit, banks, Sitech Publishing, Craiova;
7. Prunea, P. (2003) - *Risk in business. Facets. Factors. Ways of reducing*, Economic Publishing, Bucharest;
8. Soros, G. (2008) - The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What it Means, PublicAffairs