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The Most Influential Banks in the World

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A list of the biggest world banks is based on total assets. The economy and productivity of the state have an enormous influence. The top largest financial institutions in the world successfully demonstrate the trends of the global economy today. For several years and even decades, American banks have been at the top of this list. However, China managed to overtake the USA. China has become a global economic powerhouse, which has helped it take its place at the top. If we analyze the top 100 largest banks in the world, then one fifth of them will belong to China. Only a tenth remains for the United States, as well as for Japan. But every third bank comes from the European Union. Also in the top 100 world leaders in the banking sector there are banks from South Korea, Brazil, Canada and Australia. And only two Swiss banks found their place in the list of the 100 largest.

Tops the list of Industrial & Commercial Bank of China (ICBC). It was founded in 1984 as a state bank. The main function was lending to enterprises and placing deposits. During the first decade of his work, he received more than 40% of the entire financial market in China. According to statistics, every second loan or deposit was issued by ICBC. By the early 2000s, the bank's total assets accounted for about 20% of China's total banking capitalization [1].

At the moment, Industrial & Commercial Bank is only one-fifth of the Chinese banking sector. Approximately 90% of revenue and operations are carried out in China. The market

capital has reached 231 billion dollars, which makes it the richest bank in the world. Also, international cooperation is expanding every year more and more. Today, international activities are carried out in 45 countries of the world in their own branches and in 20 countries of the African continent through a partner network. The main owner of the bank is the Government of China.

No less large is the Agricultural Bank of China (ABoC), founded in 1951 during the implementation of the agrarian reform of Mao Zedong. Despite the fact that it was the first commercial bank in communist China, it was obliged to provide financial support to many collective farms and farmers. Then the bank in 1993 received the status of a state commercial bank, and since 2005 it has become a joint-stock bank.

During the period of transition to a public joint stock company, the bank increased its total assets by more than 3 times. The main activity is concentrated in China, but also carries out international activities abroad. For example, overseas branches are located in Hong Kong, Singapore, Seoul, Dubai, Tokyo, Sydney and others.

The third largest bank in the world is China Construction Bank. Its activity began on October 1, 1954 and was originally called People's Construction Bank of China. Its creation was considered as one of the structural divisions of the Ministry of Finance of China to provide financing and control over the distribution of funds for capital construction. From this bank and got the name of the construction. Since the end of the 70s, the bank has been moving into commercial activities. Since 2004, it has received the status of a joint-stock commercial bank; its securities are successfully in demand on the Hong Kong and Shanghai stock exchanges.

The fourth place is occupied by the holding company Mitsubishi UFJ Financial Group. It was founded relatively recently - since 2005. Prior to the merger of Mitsubishi UFJ

FG, Japan's second largest bank and UFJ Holdings, it was the fourth largest financial corporation. Since its inception, the financial holding has been expanding regularly and has been actively cooperating internationally.

HSBC Holdings is London's largest bank, established in 1865 to establish trade routes between Europe and China. Initially, its headquarters was in Hong Kong. Since its inception, the bank has developed at an incredible rate and has become the main bank in Hong Kong, and then gained popularity in Southeast Asia as a whole. The bank provided financial support for the trade in tea, silk, cotton, sugar and silver. Also, from the first year of its existence, it began to print and provide banknotes for Hong Kong, Singapore and China, Thailand, and Japan.

Among the European leaders is the French company BNP Paribas. Recognized European leader among modern financial conglomerates. Its activities, like many others, began after the merger of the largest French banks at the end of 1999. The purpose of the bank's creation is to avoid the economic crisis in Paris. One bank specialized in investment issues, and the second in the provision of retail services. Asset and investment management remain the key services of this bank.

BNP Paribas' activities in Europe generate 75% of revenue and about 80% of assets, followed by North America (11% and 12%), the Asia-Pacific region (7% and 6%) and other regions.

The total number of employees in 2020 was over 200,000: 58,000 in France, 19,000 in Italy, 14.5 in Belgium, 4,000 in Luxembourg and 59,000 in the rest of Europe.

Since the creation of BNP Paribas, its total income has grown several dozen times. Revenue increased from \$16 billion to \$45 billion, net income from \$3.2 billion to \$7 billion, assets quadrupled, and equity increased from \$25 billion to \$120 billion.

Bank of America is the largest US bank by total assets. He began his activity in 1928. The bank specializes in consumer banking and mortgage lending. It is one of the 4 largest banks in America.

Bank of America consists of five main divisions, each responsible for a different range of services. Consumer banking specializes in deposit activities and consumer lending, including credit card servicing. The second division consists of two subsidiaries: Merrill Lynch Global Wealth Management and U.S. Trust and manages client assets. Global banking provides services to large companies, corporations and non-profit organizations. Banking also provides loans, places shares and consults on financial issues. Global markets are engaged in trading on stock, currency and commodity exchanges. The latter division is mainly engaged in subprime mortgages [2].

Financial performance of Bank of America over the past 20 years: revenue increased from 20 to 85 billion dollars, net profit from 7.5 to 18 billion dollars, assets grew 3.5 times, shareholders' equity multiplied more than 5 times and the bank's capitalization amounted to 262 billion dollars.

References:

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