

Contents

1	Introduction	1
2	Models of Foreign Banking Activity	2
3	Review of the Literature and Hypothesized Variables	6
3.1	Endogenous Variable	6
3.2	Exogenous Variables	7
3.2.1	"Follow the Client" Motive	7
3.2.2	Market Characteristics	9
3.2.3	Risk Factors	13
4	Methodology	17
4.1	Sample Properties	17
4.2	Estimation Techniques	19
5	Discussion of Results	19
5.1	Full Sample Analysis	20
5.2	Spatial Disaggregation	23
5.3	Temporal Disaggregation	25
6	Conclusions	26
	Appendix	28
	References	31