
Contents

<i>List of contributors</i>	viii
<i>Foreword 1 by Franklin Allen</i>	xiii
<i>Foreword 2 by Harald Benink</i>	xiv
<i>Foreword 3 by Gerard Caprio and Ross Levine</i>	xvi

Introduction and overview	1
<i>James R. Barth, Chen Lin and Clas Wihlborg</i>	

PART I OWNERSHIP, EFFICIENCY AND STABILITY

1 Bank governance: concepts and measurements	17
<i>Frank M. Song and Li Li</i>	
2 Bank ownership and performance: a global perspective	42
<i>Iftekhar Hasan and Liang Song</i>	
3 Is there a conflict between competition and financial stability?	72
<i>Barbara Casu, Claudia Girardone and Philip Molyneux</i>	
4 What drives bank operating efficiency? The role of bank competition and credit information sharing	87
<i>Chen Lin, Yue Ma and Frank M. Song</i>	
5 Corporate borrower nationality and global presence: cross-country evidence on the pricing of syndicated bank loans	124
<i>Joel Houston, Jennifer Itzkowitz and Andy Naranjo</i>	
6 Lessons learned from recent financial crises	149
<i>Benton E. Gup</i>	

PART II COMPENSATION, PERFORMANCE AND RISK

7 Bank ownership and risk taking: improving corporate governance in banking after the crisis	163
<i>Kenneth R. Spong and Richard J. Sullivan</i>	
8 Executive compensation and risk-taking in European banking	179
<i>Rym Ayadi, Emrah Arbak and Willem Pieter De Groen</i>	
9 CEO pay and risk-taking in banking: the roles of bonus plans and deferred compensation in curbing bank risk-taking	200
<i>Jens Hagendorff and Francesco Valsavas</i>	
10 Bank failures and CEO compensation	210
<i>Walter Dolde and John D. Knopf</i>	
11 Restricting risk-taking by financial intermediaries through executive compensation	219
<i>Tom Berglund</i>	

PART III MARKET DISCIPLINE: PREREQUISITES AND EFFECTIVENESS

- | | | |
|----|---|-----|
| 12 | The lost cause: the failure of the Financial Crisis Inquiry Commission
<i>Peter J. Wallison</i> | 227 |
| 13 | Market discipline for financial institutions and markets for information
<i>Apanard P. Prabha, Clas Wihlborg and Thomas D. Willett</i> | 238 |
| 14 | Moral hazard, bank resolution and the protection of depositors
<i>David G. Mayes</i> | 270 |
| 15 | The governance of 'too big to fail' banks
<i>Andy Mullineux</i> | 285 |
| 16 | Incentives to improve the corporate governance of risk in financial institutions
<i>Richard J. Herring</i> | 296 |

PART IV GOVERNANCE, REGULATION AND SUPERVISION

- | | | |
|----|---|-----|
| 17 | The boundary problems in financial regulation
<i>Charles A.E. Goodhart and Rosa M. Lastra</i> | 321 |
| 18 | Financial architecture, prudential regulation and organizational structure
<i>Ingo Walter</i> | 332 |
| 19 | Corporate governance and prudential regulation of banks: is there any connection?
<i>Lawrence J. White</i> | 344 |
| 20 | The policy conundrum of financial market complexity
<i>Hilton L. Root</i> | 360 |
| 21 | The future of financial regulation: reflections from an emerging market perspective
<i>Rakesh Mohan</i> | 378 |

PART V GOVERNANCE, STRATEGY AND SOCIAL RESPONSIBILITY

- | | | |
|----|---|-----|
| 22 | Financial innovations, marketability and stability in banking
<i>Arnoud W.A. Boot and Matej Marinč</i> | 395 |
| 23 | Bank acquisitions and strategy since the GLB Act
<i>J. Kimball Dietrich</i> | 412 |
| 24 | Social, environmental, ethical and trust (SEET) issues in banking: an overview
<i>Andreas G.F. Hoepner and John O.S. Wilson</i> | 427 |
| 25 | Corporate social responsibility, financial performance and selection bias: evidence from Taiwan's TWSE-listed banks
<i>Chung-Hua Shen and Yuan Chang</i> | 458 |

PART VI GOVERNANCE IN NON-BANK FINANCIAL
INSTITUTIONS

26	Management turnover, regulatory oversight and performance: evidence from community banks <i>Ajay A. Palvia</i>	487
27	Redeemability as governance: a study of closed-end and open-end funds under common management <i>Peter MacKay</i>	510
28	The role of venture capitalists in the acquisition of private companies <i>Paul A. Gompers and Yuhai Xuan</i>	535
29	Governance and microfinance institutions <i>Rients Galema, Robert Lensink and Roy Mersland</i>	565

PART VII REGIONAL AND COUNTRY STUDIES

30	Bank governance: the case of New Zealand <i>Don Brash</i>	581
31	Corporate governance in European banking <i>Francesca Arnaboldi and Barbara Casu</i>	588
32	Debt forgiveness during Japan's lost decade <i>Satoshi Koibuchi</i>	610
33	Corporate governance of banks in Korea <i>Heungsik Choe and Byungyoon Lee</i>	646
34	Banking regulatory governance in China: a legal perspective <i>Yufeng Gong and Zhongfei Zhou</i>	660
35	Corporate governance and bank performance in Thailand <i>Tientip Subhanij and Wanvimol Sawanggoenyuang</i>	680
36	Governance issues in Indian microfinance <i>Shubhashis Gangopadhyay and S.K. Shanthi</i>	696
	<i>Index</i>	707