

Contents

<i>List of Figures</i>	x
<i>List of Tables</i>	xi
<i>Preface</i>	xiii
<i>Notes on Contributors</i>	xiv
1 Challenges for Banks and a New Regulatory Framework	1
<i>Ted Lindblom, Stefan Sjögren and Magnus Willeson</i>	
1.1 Introduction	1
1.2 A brief summary of the chapters	3
2 Leverage, System Risk and Financial System Health: How Do We Develop a Healthy Financial System?	9
<i>Anjan V. Thakor</i>	
2.1 Introduction	9
2.2 What caused this crisis?	10
2.3 What makes a healthy financial system and how to develop one?	13
2.4 Conclusion	16
3 Did Strong Boards Affect Bank Tail Risk During the Financial Crisis? Evidence from European Countries	20
<i>Francesca Battaglia and Angela Gallo</i>	
3.1 Introduction	20
3.2 Related literature and hypotheses	24
3.3 Sample, variables and econometric models	28
3.3.1 Sample and selection strategy	28
3.3.2 Variables	29
3.3.3 Econometric models	33
3.4 Results	36
3.4.1 The impact of board structure on bank risk	36
3.5 Conclusions	42
4 Corporate Governance of Banks and Financial Crisis: Can the Post-crisis Rules Make Banks Safer?	48
<i>Gianfranco A. Vento and Pasquale La Ganga</i>	
4.1 Introduction	48

4.2	Literature review	50
4.3	The new regulatory framework and banks' corporate governance	58
4.3.1	Why has corporate governance regulation in financial sector traditionally been regarded as a critical area?	58
4.3.2	Why did governance of banks fail during the crisis?	59
4.3.3	Where did the regulatory and supervisory framework fail?	60
4.3.4	The regulatory initiatives	61
4.4	Empirical analysis	64
4.5	Conclusions	67
5	Predicting European Bank Distress: Evidence from the Recent Financial Crisis	77
	<i>Laura Chiamonte and Federica Poli</i>	
5.1	Introduction	77
5.2	Literature review on bank distress prediction	79
5.3	Data sample and bank distress determination	81
5.3.1	Data description	81
5.3.2	Bank distress determination	82
5.4	Empirical methodology, variables and descriptive statistics	83
5.4.1	Methodology and variables	83
5.4.2	Descriptive statistics	85
5.5	Main results	88
5.5.1	Regression analysis	88
5.5.2	Prediction results	89
5.6	Conclusions	93
6	The Impact of Deregulation and Re-regulation on Bank Efficiency: Evidence from Asia	100
	<i>Bimei Deng, Barbara Casu and Alessandra Ferrari</i>	
6.1	Introduction	100
6.2	Banking in Asia: a brief overview	102
6.3	Literature review	109
6.4	Methodology, data, variables and descriptive statistics	113
6.4.1	Methodology	113
6.4.2	Data	115
6.5	Empirical results	118
6.5.1	Country stochastic frontiers	120
6.5.2	The estimation of the metafrontier	121

6.5.3	The evolution of meta-cost efficiency	122
6.6	Conclusions	124
7	Small Banks in Post-crisis Regulatory Architecture: The Case of Cooperative Banks in Poland	129
	<i>Ewa Miklaszewska</i>	
7.1	Introduction	129
7.2	The challenges to building post-crisis regulatory architecture	131
7.3	The banking sector in Poland: the importance of a competitive framework	135
7.4	Case study of Polish cooperative banks	136
7.5	The challenges to cooperative banks	139
7.6	The results of a cooperative bank survey	141
7.7	Conclusions	145
8	The Sovereign Debt Crisis: The Impact on the Intermediation Model of Italian Banks	151
	<i>Stefano Cosma and Elisabetta Gualandri</i>	
8.1	Introduction	151
8.2	Italian banks and the crisis	152
8.2.1	The subprime phase (2007–2009)	152
8.2.2	The sovereign debt and redenomination risk phase (2010–2012)	154
8.2.3	The deep recession phase, 2012–201X	159
8.3	The role of the ECB and non-standard monetary policy measures	160
8.4	The banks' situation up until the sovereign debt crisis	162
8.4.1	Real effect	163
8.4.2	Financial effect	163
8.5	Current trends and future prospects for the Italian banking system	164
8.5.1	Effects on financial and capital structures	165
8.5.2	Effects on financial stability and margins	172
8.6	Conclusions	177
9	Diversification Strategies and Performance in the Italian Banking System	181
	<i>Paola Brighi and Valeria Venturelli</i>	
9.1	Introduction	181
9.2	Literature review	182
9.3	Variables definition, methodology and data	184

9.3.1	Measure of banks' revenue and geographical diversification	184
9.3.2	Performance measures	186
9.3.3	Control variables	186
9.3.4	Empirical methodology	187
9.3.5	Data	189
9.4	Empirical results	189
9.4.1	Descriptive statistics	189
9.4.2	Multivariate analysis	191
9.5	Conclusions	195
10	Intermediation Model, Bank Size and Lending to Customers: Is There a Significant Relationship? Evidence from Italy: 2008–2011	201
	<i>Franco Tutino, Concetta Colasimone, Giorgio Carlo Brugnoni and Luca Riccetti</i>	
10.1	Introduction	201
10.2	Literature review	203
10.3	Data and sample	209
10.4	Methodology	211
10.5	Main descriptive evidence	216
10.5.1	Loans to customers	216
10.5.2	Intermediation model: assets composition, interbank position, liabilities composition, financial structure and income composition	218
10.6	Results of the estimations	224
10.6.1	Bank size	224
10.6.2	Juridical connotation	234
10.6.3	Intermediation model characteristics	234
10.7	Conclusions	237
11	Good News, Bad News: A Proposal to Measure Banks' Reputation Using Twitter	242
	<i>Vincenzo Farina, Giampaolo Gabbi and Daniele Previati</i>	
11.1	The need for new management practices for corporate reputation and reputational risk in the banking industry	242
11.2	Measuring reputational risk and social media	246
11.3	Measuring reputation through networks	249
11.3.1	Who is communicating about a certain entity and what are the major influencers?	250

11.3.2	What are the areas of communication?	252
11.3.3	How are concepts communicated?	252
11.4	Conclusions	255

<i>Index</i>		261
--------------	--	-----