

# CONTENTS

<i>List of Figures</i>	xv
<i>List of Tables</i>	xix
<i>List of Abbreviations</i>	xxiii
<i>List of Contributors</i>	xxx

1. Banking: A Decade on from the Global Financial Crisis 1  
ALLEN N. BERGER, PHILIP MOLYNEUX, AND JOHN O. S. WILSON

## PART I THE THEORY OF BANKING

2. The Roles of Banks in Financial Systems 39  
FRANKLIN ALLEN, ELENA CARLETTI, AND XIAN GU
3. Commercial Banking and Shadow Banking: The Accelerating Integration of Banks and Markets and its Implications for Regulation 62  
ARNOUD W. A. BOOT AND ANJAN V. THAKOR
4. Corporate Complexity and Systemic Risk: A Progress Report 95  
JACOPO CARMASSI AND RICHARD J. HERRING
5. Corporate Governance and Culture in Banking 131  
JENS HAGENDORFF
6. Private Information and Risk Management in Banking 153  
LINDA ALLEN AND ANTHONY SAUNDERS
7. Creation and Regulation of Bank Liquidity 181  
CHRISTA H. S. BOUWMAN

## PART II ACTIVITIES AND PERFORMANCE

8. The Performance of Financial Institutions: Modeling, Evidence, and some Policy Implications 229  
JOSEPH P. HUGHES AND LORETTA J. MESTER

9. Technological Change and Financial Innovation in Banking: Some Implications for FinTech	262
W. SCOTT FRAME, LARRY WALL, AND LAWRENCE J. WHITE	
10. Payments	285
DAVID HUMPHREY	
11. Community Banking Institutions: Commercial Banks, Savings Banks, Cooperative Banks, and Credit Unions	321
DASOL KIM AND DONAL MCKILLOP	
12. Islamic Banking: A Review of the Empirical Literature and Future Research Directions	359
NARJESS BOUBAKRI, RUIYUAN (RYAN) CHEN, OMRANE GUEDHAMI, AND XINMING LI	
13. Can We Improve the Impact of Microfinance? A Survey of the Recent Literature and Potential Avenues for Success	404
ROBERT LENSINK AND ERWIN BULTE	
14. Small Business Lending: The Roles of Technology and Regulation from Pre-crisis to Crisis to Recovery	431
ALLEN N. BERGER AND LAMONT K. BLACK	
15. Residential Mortgages	470
ANDREAS LEHNERT AND ALEX MARTIN	
16. Securitization	503
BARBARA CASU AND ANNA SARKISYAN	
17. Shadow Banking	530
TOBIAS ADRIAN, ADAM B. ASHCRAFT, PETER BREUER, AND NICOLA CETORELLI	

### PART III REGULATORY AND POLICY PERSPECTIVES

18. Modern Central Banking	573
FREDERIC S. MISHKIN	
19. Lender of Last Resort: A New Role for the Old Instrument	602
XAVIER FREIXAS AND BRUNO M. PARIGI	

20. Bank Bailouts and Bail-Ins	630
RALUCA A. ROMAN	
21. Bank Runs and Moral Hazard: A Review of Deposit Insurance	685
DENIZ ANGINER AND ASLI DEMIRGÜÇ-KUNT	
22. Bank Capital Requirements after the Financial Crisis	707
MARK E. VAN DER WEIDE AND JEFFERY Y. ZHANG	
23. Market Discipline in Regulation: Pre and Post Crisis	736
MARK J. FLANNERY AND ROBERT R. BLISS	
24. Competition in the Banking Sector	776
HANS DEGRYSE, PAOLA MORALES-ACEVEDO, AND STEVEN ONGENA	
25. Behavioral Economics, Financial Literacy, and Consumers’ Financial Decisions	814
GREGORY ELLIEHAUSEN	

## PART IV MACROECONOMIC PERSPECTIVES

26. Systemic Risk in Banking after the Great Financial Crisis	847
OLIVIER DE BANDT AND PHILIPP HARTMANN	
27. Hardy Perennials: Banking Crises Around the World	885
GERARD CAPRIO JR. AND PATRICK HONOHAN	
28. Bank Failures, The Great Depression, and Other “Contagious” Events	910
CHARLES W. CALOMIRIS	
29. Banking Globalization: Cross-border Entry, Complexity, and Systemic Risk	928
CLAUDIA M. BUCH AND GAYLE L. DELONG	
30. Banking and Real Economic Activity: Foregone Conclusions and Open Challenges	953
NICOLA CETORELLI AND MICHAEL BLANK	

## PART V BANKING SYSTEMS AROUND THE WORLD

- |   |      |
|---|------|
| 31. Banking in the United States  | 977  |
| ROBERT DEYOUNG  |      |
| 32. Banking in Europe: Integration, Reform, and the Road to<br>a Banking Union                                  | 1000 |
| JOHN GODDARD, PHILIP MOLYNEUX, AND JOHN O.S. WILSON   |      |
| 33. Banking in Japan: A Post-global Financial Crisis Perspective  | 1033 |
| HIROFUMI UCHIDA AND GREGORY F. UDELL  |      |
| 34. Banking in Africa   | 1076 |
| THORSTEN BECK, ROBERT CULL, AND PATRICIO VALENZUELA   |      |
| 35. Banking in China  | 1113 |
| LEORA KLAPPER, MARÍA SOLEDAD MARTÍNEZ PERÍA, AND BILAL ZIA  |      |
| 36. Banking in the Transition Countries of Central, Southern,<br>and Eastern Europe and the Former Soviet Union | 1132 |
| ZUZANA FUNGÁČOVÁ, IFTEKHAR HASAN, LAURA SOLANKO,<br>AND PAUL WACHTEL  |      |
| 37. Banking in Latin America: Developments and Prospects  | 1152 |
| FERNANDO J. CARDIM DE CARVALHO, LUIZ FERNANDO DE PAULA,<br>AND JONATHAN WILLIAMS                                |      |
| 38. Banking in Australia and New Zealand—Geographic Proximity,<br>Market Concentration, and Banking Integration | 1190 |
| FARIBORZ MOSHIRIAN AND ELIZA WU   |      |
| <i>Index</i>  | 1215 |