

*Palgrave Macmillan Studies in Banking and Financial Institutions*

Series Editor: Professor **Philip Molyneux**

The Palgrave Macmillan Studies in Banking and Financial Institutions are international in orientation and include studies of banking within particular countries or regions, and studies of particular themes such as Corporate Banking, Risk Management, Mergers and Acquisitions, etc. The books' focus is on research and practice, and they include up-to-date and innovative studies on contemporary topics in banking that will have global impact and influence.

*Titles include:*

Mario Anolli, Elena Beccalli and Tommaso Giordani (*editors*)  
RETAIL CREDIT RISK MANAGEMENT

Rym Ayadi and Emrah Arbak  
FINANCIAL CENTRES IN EUROPE  
Post-Crisis Risks, Challenges and Opportunities

Rym Ayadi and Sami Mouley  
MONETARY POLICIES, BANKING SYSTEMS, REGULATORY CONVERGENCE,  
EFFICIENCY AND GROWTH IN THE MEDITERRANEAN

Caner Bakir  
BANK BEHAVIOUR AND RESILIENCE  
The Effect of Structures, Institutions and Agents

Alessandro Carretta and Gianluca Mattarocci (*editors*)  
ASSET PRICING, REAL ESTATE AND PUBLIC FINANCE OVER THE CRISIS

Dimitris N. Chorafas  
BASEL III, THE DEVIL AND GLOBAL BANKING

Dimitris N. Chorafas  
HOUSEHOLD FINANCE  
Adrift in a Sea of Red Ink

Dimitris N. Chorafas  
SOVEREIGN DEBT CRISIS  
The New Normal and the Newly Poor

Stefano Cosma and Elisabetta Gualandri (*editors*)  
THE ITALIAN BANKING SYSTEM  
Impact of the Crisis and Future Perspectives

Joseph Falzon (*editor*)  
Bank Performance, Risk and Securitisation

Joseph Falzon (*editor*)  
Bank Stability, Sovereign Debt and Derivatives

Juan Fernández de Guevara Radoselovics and José Pastor Monsálvez (*editors*)  
CRISIS, RISK AND STABILITY IN FINANCIAL MARKETS

Juan Fernández de Guevara Radoselovics and José Pastor Monsálvez (*editors*)  
MODERN BANK BEHAVIOUR

Franco Fiordelisi and Ornella Ricci (*editors*)  
BANCASSURANCE IN EUROPE  
Past, Present and Future

Josanco Floreani and Maurizio Polato  
THE ECONOMICS OF THE GLOBAL STOCK EXCHANGE INDUSTRY

Jill M. Hendrickson  
FINANCIAL CRISIS  
The United States in the Early Twenty-First Century

Otto Hieronymi and Constantine Stephanou (*editors*)  
INTERNATIONAL DEBT  
Economic, Financial, Monetary, Political and Regulatory Aspects

Paola Leone and Gianfranco A. Vento (*editors*)  
CREDIT GUARANTEE INSTITUTIONS AND SME FINANCE

Ted Lindblom, Stefan Sjögren and Magnus Willeson (*editors*)  
FINANCIAL SYSTEMS, MARKETS AND INSTITUTIONAL CHANGES

Ted Lindblom, Stefan Sjögren and Magnus Willeson (*editors*)  
GOVERNANCE, REGULATION AND BANK STABILITY

Gianluca Mattarocci  
ANOMALIES IN THE EUROPEAN REITS MARKET  
Evidence from Calendar Effects

Bernardo Nicoletti  
CLOUD COMPUTING IN FINANCIAL SERVICES

Özlem Olgü  
EUROPEAN BANKING  
Enlargement, Structural Changes and Recent Developments

Fotios Pasiouras  
GREEK BANKING  
From the Pre-Euro Reforms to the Financial Crisis and Beyond

Daniela Pîrvu  
CORPORATE INCOME TAX HARMONIZATION IN THE EUROPEAN UNION

Ramkishen S. Rajan  
EMERGING ASIA  
Essays on Crises, Capital Flows, FDI and Exchange Rate

Gabriel Tortella and José Luis García Ruiz  
SPANISH MONEY AND BANKING  
A History

The full list of titles available is on the website:

[www.palgrave.com/finance/sbf.asp](http://www.palgrave.com/finance/sbf.asp)

---

**Palgrave Macmillan Studies in Banking and Financial Institutions**  
**Series Standing Order ISBN 978-1-4039-4872-4**

You can receive future titles in this series as they are published by placing a standing order. Please contact your bookseller or, in case of difficulty, write to us at the address below with your name and address, the title of the series and the ISBN quoted above.

Customer Services Department, Macmillan Distribution Ltd, Houndmills, Basingstoke, Hampshire RG21 6XS, England

---

# Governance, Regulation and Bank Stability

Edited by

**Ted Lindblom**

*Professor of Business Administration, University of Gothenburg, Sweden*

**Stefan Sjögren**

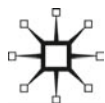
*Associate Professor of Business Administration, University of Gothenburg, Sweden*

and

**Magnus Willeson**

*Senior Lecturer, Linnaeus University, Sweden*

palgrave  
macmillan



Editorial matter, selection and introduction © Ted Lindblom, Stefan Sjögren and Magnus Willeson 2014

Remaining chapters © Respective authors 2014

Softcover reprint of the hardcover 1st edition 2014 978-1-137-41353-6

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2014 by  
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries

ISBN 978-1-349-48994-7 ISBN 978-1-137-41354-3 (eBook)

DOI 10.1057/9781137413543

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

Library of Congress Cataloging-in-Publication Data

European Association of University Teachers of Banking and Finance. Conference (2013 : Gothenburg, Sweden)

Governance, regulation and bank stability / edited by Ted Lindblom, Stefan Sjögren, Magnus Willeson.

pages cm.—(Palgrave Macmillan studies in banking and financial institutions)

A selection of chapters originally presented as papers at the annual conference of the European Association of University Teachers of Banking and Finance which was held in August 28-31, 2013, at the School of Business, Economics and Law, Gothenburg University, Sweden.

Includes bibliographical references.

1. Banks and banking – Congresses. 2. Banks and banking – State supervision – Congresses. 3. Banks and banking – Government policy – Congresses. I. Lindblom, Ted, 1956– II. Sjögren, Stefan. III. Willeson, Magnus. IV. Title.

HG1521.E87 2013

332.1—dc23

2014019728

# 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 <i>Ted Lindblom, Stefan Sjögren and Magnus Willesson</i>	1
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? <i>Anjan V. Thakor</i>	9
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 <i>Francesca Battaglia and Angela Gallo</i>	20
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? <i>Gianfranco A. Vento and Pasquale La Ganga</i>	48
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 Chiaramonte 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 Brugnani 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

# List of Figures

2.1	Mean book equity ratios for US banks, 1893–2010	13
5.1	The number of banks and distress events by country, 2001–2011	82
6.1	Bank ownership structure in selected Asian economies	105
6.2	Market concentration indicators	106
6.3	Net interest margin (NIM) by country	107
6.4	Indicators of banking system performance	108
6.5	Decomposition of meta-cost efficiency scores	123
7.1	Cooperative and commercial banks' profitability in terms of ROA and ROE, respectively	138
7.2	Z-score for commercial and cooperative banks	139
7.3	Major risks for cooperative banks	141
7.4	The assessment of the IPS proposal	142
7.5	The future of the largest cooperative banks	142
7.6	The priorities of cooperative banks	143
7.7	The main advantages of the cooperative model	144
8.1	EU – total public facilities for banks, 2007–2012 (June)	153
8.2	EU – public facilities for banks (capital), 2007–2012 (June)	154
8.3	LTROs (21 December 2011 and 29 February 2012) countries' shares of the total amount of €1,020 billion	161
8.4	Annual growth rates in deposits and debt securities issued	167
8.5	Annual growth rates in loans	168
8.6	Loans to non-financial corporations/total assets	169
8.7	Loans to households/total assets	170
8.8	ROE	173
8.9	Gross operating profit/total assets; gross income/total assets	174
8.10	Components of gross operating profit of Italian banks	175
8.11	Ratio of new bad debts to outstanding loans	176
8.12	Impaired loans/total loans to customers	177
11.1	Network of actors built on the basis of the retweets	251

# List of Tables

3.1	Definition of models' variables	33
3.2	Descriptive statistics	34
3.3	Random effects (RE) – GLS estimates of Model 3.1	36
3.4	Random effects (RE) – GLS estimates of Model 3.2	37
3.5	RE estimates of bank risk on board structure: the effect of board independence	39
3.6	RE estimates of bank risk on board structure: the effect of board size	40
3.7	RE estimates of bank risk on board structure: the effect of board meetings	41
3.A1	List of European banks in our sample	43
3.A2	Correlation matrix	44
4.1	Key contributions to corporate governance and banks: a possible taxonomy	57
5.1	Explanatory variables definition and predicted signs	85
5.2	ln_Z and its components by bank status	86
5.3	Summary statistics of control variables	87
5.4	Probit estimation results	90
5.5	Type errors	94
6.1	Interest rate deregulation	104
6.2	Variables' specification	116
6.3	Sample descriptive statistics	119
6.4	Parameter estimations of metafrontier	120
7.1	The largest global banks by assets, billions \$, in selected years	132
7.2	Basel agreements and financial stability	133
7.3	Polish bank performance	136
7.4	Cooperative sector in Poland: basic statistics	136
7.5	Asset size of cooperative banks, 2010	136
7.6	Changes in loan structure of commercial and cooperative banks	137
8.1	Tremonti bonds – public facilities	155
8.2	Public facilities (2007–2012 June). Billion € not including USA	156
8.3	Italian banks' shortfalls – December 2011	158
8.4	ECB – non-standard monetary policy measures	161

8.5	Deposits of other euro area residents/total assets	166
8.6	Loans to euro-area residents/total assets	168
8.7	Loans to deposits ratio	171
8.8	Leverage ratio (total assets to capital)	172
9.1	Variables' names and definitions	188
9.2	Summary statistics for all banks, on average, over the period 2006–2011	190
9.3	Descriptive statistics of bank characteristics, on average, over the period 2006–2011	191
9.4	Revenue diversification, geographical diversification and performance of sample banks	193
9.5	Revenue diversification, geographical diversification and performance of sample banks – size interaction effect	194
10.1	Bank-size classification	209
10.2	Sample representativeness by number of banks and total assets volume	210
10.3	Sample composition by bank size and comparison with the banking system	211
10.4	Intermediation model variables	214
10.5	Selected explanatory variables	217
10.6	Change in loans to customers between 2007 and 2011 by bank size – restated data	217
10.7	Balance sheet composition	219
10.8	Financial structure	223
10.9	Income statement composition	223
10.10	Results of the estimation (synthesis 2008–2011)	225
10.11	Results of the estimations for 2008	226
10.12	Results of the estimations for 2009	228
10.13	Results of the estimations for 2010	230
10.14	Results of the estimations for 2011	232
11.1	Classification of influencers	252
11.2	Hashtags	253
11.3	Composition of positive and negative word sets drawn from LIWC	254

# Preface

*Governance, Regulation and Bank Stability* comprises a selection of chapters originally presented as papers at the annual conference of the European Association of University Teachers of Banking and Finance – Wolpertinger 2013 – which was held August 28–31, 2013 at the School of Business, Economics and Law, Gothenburg University, Sweden. Wolpertinger 2013 was open to papers in all areas of banking and finance with a special emphasis on efficiency and competition in banking, and regulation and creation of healthy financial systems. ‘Leverage, systemic risk and financial system health’ was also the theme for the ‘Jack Revell’ session, for which Professor Anjan Thakor, Olin Business School, Washington University, St. Louis, US, was the invited keynote speaker. This volume includes his contributions as well as other high-quality chapters focusing on the governance, regulation and stability of banks.

As editors, we would like to thank all the contributors to this volume for their contributions and their wonderful efforts with keeping to the schedule. We thank all the referees, who acted as reviewers to the chapters published in this volume. The blind peer review process significantly improved the quality of each contribution. We would also like to thank all the conference participants for their active discussions during seminars and for contributing to a constructive atmosphere and for introducing new perspectives of challenge to future studies in banking and finance.

Special thanks are due to Philip Molyneux (Series Editor for Studies in Banking and Financial Institutions) and to the staff at Palgrave Macmillan, especially Aimee Dibbens (Commissioning Editor, Finance), for their helpful comments and guidance.

Finally, as conference organizers, we would like to thank Dr Martin Andersson, General Director of Sweden’s Financial Supervisory Authority, for giving an opening speech at the conference. We are also very grateful to the Bertil Danielsson Foundation, VINNOVA and the School of Business, Economics and Law at the University of Gothenburg for financial contribution to the conference and Ragnar Söderbergs stiftelse for research grants to Magnus Willeson.

# Notes on Contributors

**Francesca Battaglia** is Senior Lecturer in Financial Markets and Institutions at the University of Naples 'Parthenope', Department of Management. Her main research interests focus on cooperative banks, securitization, governance of financial intermediaries and systemic risk. She has contributed a number of chapters to Palgrave Macmillan's edited collections as well as articles to referred journals including *Applied Financial Economics* and *International Review of Financial Analysis*.

**Paola Brighi** is Associate Professor in Banking and Finance at the School of Economics, Management and Statistics, University of Bologna, Italy, where she teaches Financial Markets and Institutions at both undergraduate and graduate level. She obtained her PhD from the University of Ancona. She has been Visiting Scholar at the University of Wisconsin. Her current research interests relate to banking structure, relationship lending, bank geographic diversification, efficiency, mutual banks and SMEs finance.

**Giorgio Carlo Brugnoli** is a PhD candidate in Banking and Finance at La Sapienza University of Rome, where he acquired his MSc. in Economics. He spent a period of study and research at Bangor Business School in the UK. His main research interests involving finance, banks and financial intermediaries include strategies, intermediation models, profitability, financial reports and performance analysis, credit, liquidity management, financial crisis and regulation, supervision and Islamic finance.

**Barbara Casu** is Director of the Centre for Banking Research at Cass Business School, City University London, where she is Associate Professor of Banking. Her research interests are in the areas of banking, financial regulation, corporate governance and industrial organization. She holds a PhD in Economics from Bangor Business School, UK. Barbara has published over 30 papers in international peer-reviewed journals, including the *Review of Economics and Statistics*, *Journal of Money, Credit and Banking*, *Journal of Banking and Finance* and *Journal of Business, Finance and Accounting*. She is Associate Editor for the *European Journal of Finance*, and acts as a referee for a number of leading banking and economics journals. In addition, she is Associate Senior Fellow at the Centre for European Policy Studies in Brussels (Financial Institutions and Prudential Policy Unit).

**Laura Chiaramonte** is a lecturer at the Catholic University of Milan, Italy. She holds a PhD in Business Administration from the University of Verona. Her research interests include hedge fund strategies, the evolution of financial systems, the drivers and effects of bank acquisitions, domestic and cross-border banking consolidation in Europe, the causes and consequences of the subprime crisis, the role of bank CDS in the recent financial crisis, the new liquidity rules for banks (Basel III) and the contribution of cooperative banks to financial stability.

**Concetta Colasimone** obtained her PhD in Banking and Finance at La Sapienza University of Rome, where she graduated in Business Economics and attended a postgraduate course in Banking. Her main research interests involving banks and financial intermediaries include capitalization, credit risk analysis, funding, profitability, public entities and financing.

**Stefano Cosma** is Associate Professor in Banking and Finance at the 'Marco Biagi' Department of Economics of the University of Modena and Reggio Emilia, where he is a member of CEFIN (Center for Studies in Banking and Finance). He obtained a doctorate in Business Administration from the University of Venice 'Cà Foscari'. His main areas of research include corporate and retail lending, consumer credit, behavioural finance, organizational and business models and economics of banking.

**Bimei Deng** obtained her PhD in Economics at the University of Reading, UK. Her research interests are in the area of financial regulation, banking market stability, competition, and bank performance, with a particular focus on emerging banking markets. She has expertise in the fields of microeconomics, banking and finance and applied econometrics.

**Vincenzo Farina** is Assistant Professor of Economics and Management of Financial Intermediaries at the University of Rome 'Tor Vergata'. His current research interests relate to banking management, focusing on strategy, corporate governance, culture and organizational change.

**Alessandra Ferrari** obtained her PhD in economics at the University of Warwick and is Associate Professor in the Department of Economics at the University of Reading, where she reads econometrics and microeconomics. Her research interests are in the field of applied econometrics, and she has a particular expertise in performance measurement. She has published several refereed papers in the areas of health and public utilities and on the efficiency and competitiveness of banking services.

**Giampaolo Gabbi** is Professor of Financial Investment and Risk Management at the University of Siena, and Professor SDA Bocconi Milan. He holds a PhD in Banking and Corporate Management and he acts as researcher in many international research projects such as 'Forecasting Financial Crises, Measurements, Models and Predictions' (FOC) and 'Financialisation, Economy, Society and Sustainable Development' (FESSUD). His articles have appeared in the *Journal of Economic Dynamics and Control*, *Nature Scientific Report*, *European Financial Management*, *Journal of International Financial Markets, Institutions & Money*, *European Journal of Finance*.

**Angela Gallo** is Senior Lecturer in Financial Markets and Institutions at the University of Salerno. She also holds a teaching position at University of Naples 'Federico II' and is member of the Banking and Finance Faculty of LUISS Business School (Rome). Her teaching activities and research interests are in the field of the regulation and supervision of the financial institutions and of the portfolio and risk management, especially for banks and pension funds. Her current projects concern securitization, systemic risk and risk governance. Her research has been presented at international conferences and published in journals including *Applied Financial Economics* and *International Review of Financial Analysis*.

**Elisabetta Gualandri** is Full Professor in Banking and Finance at the 'Marco Biagi' Department of Economics of the University of Modena and Reggio Emilia, where she is a member of CEFIN (Center for Studies in Banking and Finance) and Softech-ICT (Center for Industrial Research). She obtained her MA in Banking and Finance at the University College of North Wales. She is Director of the European Association of University Teachers in Banking and Finance, a member of ADEIMF (Italian Association of Teachers in Banking and Finance), of AIDEA (Italian Academy of Business Administration and Management), and of Suerf (The European Money and Finance Forum). She served as an auditor of Banca d'Italia from 2007 to 2012, when she was appointed to the Board of Banca Popolare dell'Emilia Romagna. Since 2013, advisor of the EC for Horizon 2020, Access to Risk Finance Group. Recent research topics include regulation and supervision, financial crisis, the financing of innovative SMEs and public intervention programmes.

**Pasquale La Ganga** was awarded a degree in economics from Bocconi University where in 2004 he completed a postgraduate course in Risk Management and Quantitative Finance. After five years of experience in several banks and financial institutions, he joined the Bank of Italy in



2006. Over the years he has conducted numerous inspections of banks and financial intermediaries. He was also actively involved in the validation of advanced risk measurement models under the Basel II agreement. During this time he participated in BCBS working group on liquidity risk. He has written numerous articles on financial risk management and international banking regulation and supervision.

**Ted Lindblom** is Professor of Business Administration at the School of Business, Economics and Law, University of Gothenburg, Sweden. His current research mainly concerns corporate finance and banking. In the corporate finance area he particularly focuses on corporate governance, capital budgeting and financial structure decisions. In the banking area his emphasis is on banking strategies, pricing, profitability and risk management under different market conditions and regulatory frameworks. He has authored and co-authored several articles and books on these issues.

**Ewa Miklaszewska** is Professor in Banking and Finance at Cracow University of Economics (CUE) and Associate Professor of Economics at the Jagiellonian University in Cracow, Department of Management and Public Communication. She chairs the Banking Division at the Faculty of Finance of CUE. She has held several visiting positions in foreign universities and Polish financial regulatory institutions. Her research interests focus on bank regulation and bank strategies.

**Federica Poli** is Associate Professor of Banking at the Catholic University of Milan, Italy. She holds a PhD in Business Administration from the University of Venice and an MA in Banking and Finance at the University of Bangor. She is Director of the MA in International Trade Management at the Catholic University of Milan. Her main research areas pertain to bank internationalization, bank organizational models, financial distribution channels and financial innovations. She is author of several publications including published chapters of books and manuals on banking and financial intermediation and research coordinator for the MA in International Trade Management at the Catholic University of Milan.

**Daniele Previati** is Full Professor in Financial Markets and Institutions at the Department of Management of the University of Rome III, and Professor at SDA Business School, Bocconi University, Milan. He has been teaching banking and finance for more than 30 years, with a particular focus on bank management, strategy and organization in financial services industry and e-finance. His main research interests relate to various

perspectives on bank management: human resources management, intellectual capital, organizational change, stakeholder management, reputation and reputational risk, operational risk. He has published widely in academic journals and books. He has also acted as a consultant for banks and Italian Central Bank on organization design and human resources management.

**Luca Riccetti** is Lecturer in Banking and Finance at La Sapienza University of Rome, where he teaches Financial Markets and Intermediaries and Applied Econometrics. He was a post-doc at Università Politecnica delle Marche, working in the European Community project 'Forecasting Financial Crises' (FOC-II). He has published papers in important journals such as the *Journal of Banking & Finance* and the *Journal of Economic Dynamics and Control*. His main research interests include: analysis of the relationship between real economy and financial system, portfolio allocation (risk and asset management).

**Stefan Sjögren** is Associate Professor at the Department of Business Administration at the School of Business, Economics and Law, University of Gothenburg, Sweden, where he obtained his PhD in 1996. His research interest is within a broad range of corporate finance including capital budgeting, international finance, valuation, deregulation and, efficiency measurement. His research interests also cover venture capital and the valuation of ideas.

**Anjan V. Thakor** holds the John E. Simon Professorship of Finance and is Director of the Olin Business School's doctoral program, and the Wells Fargo Associates Center for Finance and Accounting Research. He is also a research associate of the European Corporate Governance Institute. Until July 2003, he was Edward J. Frey Professor of Banking and Finance and Chairman of the Finance Group (2000–03) at the University of Michigan Business School. Prior to joining the University of Michigan, he served as the NBD Professor of Finance and Chairman of the Finance Department at the School of Business at Indiana University. Anjan has also served on the faculties of Northwestern University and UCLA as a visiting professor. He received his PhD in Finance from Northwestern University. His research, teaching and consulting are in the areas of asymmetric information, corporate finance, banking, and corporate strategy. He has published research articles in journals including the *American Economic Review*, *Review of Economic Studies*, *RAND Journal of Economics*, *Economic Journal*, *Journal of Economic Theory*, *Journal of Finance*, *Journal of Financial Economics*, *Journal of Financial Intermediation*, and *Review of*

*Financial Studies*. He has also published eight books, including a banking book with Stuart Greenbaum (*Contemporary Financial Intermediation*) which brought the research done in banking in the past 30 years or so into the mainstream of banking teaching and made it accessible to undergraduate and graduate students. In addition to his own research, he has made significant contributions to the development and dissemination of the research of others. He is a founding editor of the *Journal of Financial Intermediation* and has served as managing editor of *The Journal of Financial Intermediation*. He is currently associate editor of the *Journal of Financial Intermediation* and the *Journal of Banking and Finance*. He is also one of the founders of and has served as president of *The Financial Intermediation Research Society*, which organizes annual conferences on three continents to further the dissemination of financial intermediation research. Anjan's current research focuses on the economics of higher purpose, the role of bank capital in fostering banking stability, the design of healthy financial systems, financial crises, and the design of bank regulation. With Bob Quinn, he is studying how some leaders in organizations combine a sense of higher purpose (which transcends usual business goals) with the pursuit of the usual business goals to create an inspiring vision and transform corporate culture. He has written papers that analyse the causes of the financial crises that are typically overlooked, such as innovation incentives in competitive markets and the role of rational learning of skills, that have important implications for risk management within banks, systemic risk and microprudential regulation.

**Franco Tutino** is Full Professor of Banking at La Sapienza University of Rome, where he teaches banking management and banking strategies, financial reports and performance analysis. He was previously Full Professor of Banking at University of Siena, at 'Tor Vergata' University of Rome and at LUISS Guido Carli University of Rome. He recently published a book on banking liquidity management, a book on the Basel III effects on banking management and an article on banking strategies and profitability with Roberto Nicastro, General Manager of the UniCredit Group. His main research interests involving banks and financial intermediaries include: strategies, financial reports and performance analysis, financial crisis and regulation, supervision, financial and liquidity management, profitability, intermediation models.

**Gianfranco A. Vento** is Professor of Banking and Finance at Regent's University in London, where he leads the Centre for Banking and Finance, and Associate Professor in the same area at the Guglielmo

Marconi University in Rome. He obtained his PhD from La Sapienza University of Rome. He is author of four books and many articles on financial topics and member of the editorial advisory board of several international academic journals. He was consultant of central banks, banks and microfinance institutions on risk management, financial regulation and other financial topics. Before his academic career, he worked for five years at the Bank of Italy, in the Banking Supervision Department.

**Valeria Venturelli** is Associate Professor in Banking and Finance at the 'Marco Biagi' Department of Economics of the University of Modena and Reggio Emilia, where she teaches Financial Markets and Institutions at both undergraduate and graduate level. She received a PhD in Financial Markets and Institutions from the Catholic University of Milan. Her main research interests are the economics of banking and other financial institutions and valuation methods. She is author of several articles in leading academic journals. She has acted as a consultant to various public institutions and consulting firms. She is a member of CEFIN (Center for Studies in Banking and Finance) and Softech-ICT.

**Magnus Willeson** is Senior Lecturer at Linnæus University, Växjö, Sweden and obtained his PhD from University of Gothenburg. He currently teaches banking, financial institutions and markets, strategic risk management and corporate finance. His research is mainly focused on the management of risk, efficiency of banks and banks' adoption of regulatory frameworks. The research has been published in a number of journal articles and book chapters covering such subjects as risk taking and risk management in banks, banking efficiency, operational risk in banks and banks' adoption of the Basel II and Basel III accords. He has also written several international publications on the cost efficiency and pricing of payments.