PALGRAVE MACMILLAN STUDIES IN BANKING AND FINANCIAL INSTITUTIONS SERIES EDITOR: PHILIP MOLYNEUX

New Issues in Financial Institutions Management

Edited by Franco Fiordelisi, Philip Molyneux and Daniele Previati



New Issues in Financial Institutions Management

Edited by

Franco Fiordelisi

Professor of Banking and Finance, University of Rome III, Italy; Bangor Business School, Bangor University, UK and Essex Finance Centre, Essex University, UK

Philip Molyneux

Professor of Banking and Finance, Bangor Business School, Bangor University, UK

and

Daniele Previati

Professor of Banking and Finance, University of Rome III, Italy





Introduction, selection and editorial matter © Franco Fiordelisi, Philip Molyneux and Daniele Previati 2010 Individual chapters © Contributors 2010

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 2010 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: 978-0-230-27810-3 hardback

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

New issues in financial institutions management / edited by Franco Fiordelisi, Philip Molyneux, Daniele Previati.

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

ISBN 978-0-230-27810-3 (hardback)

- 1. Banks and banking Europe. 2. Bank management Europe.
- 3. Financial institutions Europe Management. I. Fiordelisi, Franco, 1972–II. Molyneux, Philip. III. Previati, Daniele.

2010027506

HG2974.N49 2010 332.1068—dc22

10 9 8 7 6 5 4 3 2 1 19 18 17 16 15 14 13 12 11 10

Printed and bound in Great Britain by CPI Antony Rowe, Chippenham and Eastbourne

Contributors

Pablo de Andrés Alonso (PhD in Business Administration, 1995) is Professor of Finance at the Universidad de Valladolid, Spain. His research interests range between corporate governance, corporate finance and real options. He has published his research in such journals as the Journal of Banking and Finance, Journal of Business Finance and Accounting, Corporate Governance, Universia Business Review and Investigaciones Económicas. He is in charge of the doctoral programme New Trends in Business Administration and he is Executive Editor of the Spanish Journal of Finance and Accounting. He was a Visiting Researcher at Harvard University in 2009–10.

Francesca Arnaboldi is Assistant Professor at the Università di Milano, Italy and Visiting Fellow at the Cass Business School, City University, London. Her main areas of interest are banking, corporate governance and financial innovation. She has presented her work at several international conferences and published various chapters in referred books and articles.

Elena Beccalli is currently Associate Professor in Banking and Finance at the Università Cattolica del Sacro Cuore, Italy, and Visiting Senior Fellow in Accounting at the London School of Economics (LSE), UK. She has written books and articles in national and international academic journals in the area of the economics of financial institutions. Her research interests include stochastic efficiency measurement, technology and performance, mergers and acquisitions and analyst forecasts.

Marcello Bianchi is the Chairman of the OECD Corporate Governance Committee. He is also Head of the Regulation Impact Assessment Unit at Consob (the Italian Financial Markets Authority) where he has worked since 1990. At Consob, he has directed several research and regulatory activities concerning corporate governance issues, namely major shareholdings, pyramiding, related party transactions, take-overs and board structure.

Miguel Boucinha has been an economist at the Economic Research Department at the Banco de Portugal since 2007, working in the Financial Stability Division. He has a Licenciatura and an MSc from the Universidade Nova de Lisboa and is currently working on his PhD at the same institution. His main fields of interest are industrial economics, regulation and banking.

Paola Brighi is Associate Professor of Banking and Finance at the Faculty of Economics, University of Bologna in Rimini. She received her MSc from the University of Louvain-la-Neuve and her PhD from the University of Ancona. Her specialty areas include banking, financial markets and corporate finance. Her current research interests include lending technologies, local banking efficiency, R&D financing and credit risk management.

Fatima Cardias Williams holds degrees from Brazil (BSc), the United States (MSc) and the United Kingdom (PhD). Formerly at the Instituto Nacional de Pesquisas da Amazonia – INPA, Manaus, Brazil, Dr Cardias Williams is a scientist at European Plant Science, Bangor, UK. A contributor on several Pan-European and Latin American projects, Dr Cardias Williams publishes scientific and financial papers. Her current research includes discrete choice modelling of banking sector consolidation.

Alessandro Carretta is Full Professor of Economics and Management of Financial Intermediaries at the University of Rome Tor Vergata and Director of the PhD programme in Banking & Finance. His current research interests relate to banking management, asset based lending and corporate culture in financial institutions.

Dimitris Chronopoulos is a Lecturer in Finance at the University of St Andrews School of Management. He completed his PhD in Accounting and Finance from the University of Essex in 2009. His research interests lie in the area of performance measurement in banking and finance, with particular focus on financial conglomeration and mergers and acquisitions.

Angela Ciavarella is an Economist at the Department of Economic Studies of Consob (the Italian Financial Markets Authority). She holds a PhD in Economics from the Università di Napoli "Federico II" and a Master's in Mathematical Economics and Econometrics from the Université de Toulouse. Her research interests comprehend corporate governance, regulatory impact assessment and institutional economics.

Marta de la Cuesta González has a PhD in Economics and Business Management. She is Senior Lecturer at the Department of Applied Economics of the Universidad Nacional de Educación a Distancia, UNED, Madrid. She was Vice-chancellor of Economic Affairs at UNED from 2005 to 2009. Her main research interests are in the area of banking

and finance, corporate social responsibility and socially responsible investments. She is teacher at undergraduate and postgraduate levels, and she is responsible for delivering modules in the areas of banking, financial systems and sustainable finance.

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

Franco Fiordelisi is Professor of Finance and Banking in the Faculty of Economics at the Università di Roma III, Italy. He is also Visiting Research Fellow at Bangor Business School, Bangor University, UK, and the Essex Finance Centre of Essex University, UK. His recent books include Shareholder Value in European Banking (Palgrave Macmillan, 2006), New Drivers of Performance in a Changing Financial World (Palgrave Macmillan, 2008) and Mergers and Acquisitions in European Banking (Palgrave Macmillan, 2008). He has published various articles in national and international academic journals in the area of the economics of financial institutions.

Josanco Floreani is a Lecturer in Banking and Finance at the Faculty of Economics of the Università di Udine, Italy, from which he graduated in Economics and received a PhD in Business Sciences. His main research interests are related to the economics and governance of the securities industry and the regulation of financial markets.

Pascal Frantz has an MSc in applied physics (ENSPG, Grenoble), an MBA (LBS) and a PhD in Accounting and Finance (LBS). He is currently a Lecturer in Accounting and Finance at the London School of Economics. His research interests include economic analysis in the areas of accounting, corporate governance and mergers and acquisitions.

Gimede Gigante has a PhD in Banking and Finance from the Università di Romà "Tor Vergata," Italy. He also has an ITP (International Teachers Program) qualification from SDA Bocconi in 2008. He has been a Visiting Scholar at NYU's Stern School of Business and Visiting Researcher in Finance at Columbia Business School, New York. He is currently a Research Fellow at the Università di Roma III, Italy. His research interests lie in the area of intellectual capital in the banking sector.

Claudia Girardone is Reader in Finance at the Essex Business School, Essex University. Her research focus is on modelling bank efficiency and productivity and competition issues in banking. Her recent work includes

a textbook entitled Introduction to Banking (FT Prentice Hall, 2006) and articles on efficiency, integration and market power in banking markets. She has published widely in these areas, and her recent publications appear in Review of Development Economics, Economics Letters, Journal of Business, Finance and Accounting and the Journal of Banking and Finance.

Rebeca de Juan is Lecturer in Economics at the Universidad Nacional de Educación a Distancia (UNED), Madrid. A graduate of UNED in 1993, she has a PhD in Economics from UNED and a Master's in Economics Analysis from the Escuela de Hacienda Pública. She received a Young Economists' Essay Competition Award in the 26th EARIE. Her research interests are industrial organization, banking and micro-econometrics. She has published several papers in the International Journal of Industrial Organization, Review of Industrial Organization, The Economic and Social Review and Revista de Economía Aplicada.

Karligash Kenjegalieva is a Lecturer in Economics at the Department of Economics of Loughborough University. She previously worked in capacity of Cost Effectiveness Modeller at the University of Sheffield and as a Research Associate at Loughborough University. Her main research interests and publication record cover a range of topics on efficiency and productivity analysis; banking and transition economics; parametric, semi-parametric and non-parametric econometrics and bootstrapping, Markov chain and Monte-Carlo simulations.

Duccio Martelli obtained a PhD in Banking and Finance from the Università di Roma "Tor Vergata", Italy. His research interests relate to real estate, corporate culture and asset management.

Ewa Miklaszewska is Professor of Finance and Banking at the Uniwersytet Ekonomiczny w Krakowie and Associate Professor of Economics in the Department of Management and Public Communication at the Uniwersytet Jagielloński. She has held several visiting positions in Polish and foreign universities and Polish regulatory bodies. She specializes in strategic developments in the global banking industry.

Katarzyna Mikolajczyk is Assistant Professor of Finance at the Uniwersytet Ekonomiczny w Krakowie. She has published heavily on the outcomes of privatization programmes in transition countries and on the impact of structural changes in the banking industry (including mergers and acquisitions) on bank efficiency.

Phil Molyneux is currently Head of Bangor Business School and Professor of Banking and Finance. His main area of research is on the structure and efficiency of banking markets and he has published widely in this area. He has also published a variety of texts on banking areas and has acted as a consultant to a wide range of organizations including the European Commission, UK Treasury, Citibank Private Bank, McKinsey & Co, Credit Suisse and various other international banks and consulting firms.

John Nankervis is Professor in Finance and Research Director at the Essex Business School, Essex University. His research interests are primarily in the area of financial econometrics and, in particular, autocorrelation testing and bootstrap methods in time series. He has published in leading journals such as Econometrica, Journal of Econometrics, Econometric Theory, Journal of the American Statistical Association, Journal of Business and Economic Statistics and International Economic Review.

Valerio Novembre is an Economist at the Department of Economic Studies of Consob (the Italian Financial Markets Authority). He holds a PhD in Economics, Markets and Institutions from the IMT Institute for Advanced Studies in Lucca and an MSc in Finance and Regulation from the London School of Economics. His research interests cover financial regulation, regulatory impact assessment and institutional economics.

Maurizio Polato is an Associate Professor in Banking and Finance at the Faculty of Economics of the Università di Udine, where he teaches Securities Exchange Economics. He graduated in Economics from Università di Venezia 'Ca' Foscari and received a PhD in Business Economics from the same university. His main research interests are related to the economics and governance of the securities industry, banking economics and risk management.

Daniele Previati is Professor of Banking and Finance in the Faculty of Economics at the Università di Roma III, Italy. He has widely published in a large number of academic journals. His research focuses on stakeholder management in banking and other financial institutions.

Nemanja Radić (PhD) is Lecturer in Banking and Finance at the London Metropolitan Business School. His key teaching areas are Domestic and International Banking, International Corporate Finance, Introduction to Financial Services, Policy Issues in Financial Services (dissertation supervision), International Banking (dissertation supervision) and International Banking and Finance (dissertation supervision). His specialist area focuses on efficiency, risks and competition in banking.

Geetha Ravishankar is Research Associate at Loughborough University, UK. Her current research interests focus on efficiency and productivity analysis using Data Envelopment Analysis and econometric methodologies, as applied to the banking and financial services industry.

Nuno Ribeiro works in the Economic Research Department of the Banco de Portugal in capital markets, financial systems and financial stability issues. Currently, he is the head of the Financial Stability Division. His main fields of interest are financial stability, banking, industrial organization and corporate finance.

M. Elena Romero-Merino is Professor of Finance at the Universidad Europea Miguel de Cervantes (Spain). Born in Palencia in 1978, she obtained her Bachelor's degree in Economics and Business and her PhD in Business Administration at the Universidad de Valladolid. Her academic research focuses on corporate governance, non-profit organizations and financial institutions. She has published her research in such journals as the British Journal of Management, Universia Business Review and Nonprofit and Voluntary Sector Quarterly.

Bruno Rossignoli is Professor of Banking and Finance at Università di Milano, Italy and member of CEFIN, Centro Studi di Banca e Finanza, Università di Modena e Reggio Emilia, Italy. He is author, co-author and editor of numerous books and articles. His main research interest is in the area of credit and banking.

Cristina Ruza y Paz-Curbera is an economist and graduate with a Master's degree in Banking and Finance from the University of Bangor, and in Public Finance and Taxation from the Centro Colegio de Economistas de Madrid and Escuela de Hacienda Pública (Instituto de Estudios Fiscales) y Universidad de Alcalá de Henares, both with distinction grade, and she was awarded PhD in 2004 by the Universidad Nacional de Educación a Distancia (UNED). Nowadays she is a PhD lecturer in the Applied Economics Department (UNED) at undergraduate and postgraduate levels, and she also participates in a master module in the areas of banking and sustainable finance.

Marcos Santamaría-Mariscal is Professor of Finance at the Universidad de Burgos, Spain. Born in Burgos (1975), he obtained his Bachelor's degree in Economics and Business from the Universidad Nacional de Educación a Distancia (UNED), Spain and his PhD in Business Administration at the Universidad de Burgos. His academic research focuses on corporate governance, corporate finance and financial institutions. He has published his research in such journals as Corporate Governance and Universia Business Review.

Paola Schwizer is Full Professor of Economics and Management of Financial Intermediaries at the Università de Parma. Her current research interests relate to banking strategies and organization, corporate governance and internal control systems, Basel 2 and risk management.

Rossella Signoretti is an Economist at the Department of Economic Studies of Consob (the Italian Financial Markets Authority). She holds a PhD in Banking and Finance from the Università di Roma "Tor Vergata". Before joining Consob, she was research assistant in finance at the Università di Roma III. Her research interests cover corporate governance, regulatory impact assessment and institutional economics.

Giuseppe Torluccio (MbA, PhD) is Professor in Banking and Finance at the Faculty of Economics of the Università di Bologna, Italy where he is also coordinator of the Banking and Finance PhD programme. He has been Visiting Researcher at the State University of Arizona and that Olin Business School, Washington University, St Louis. His research interests are related to financial institutions, focusing on credit risk, SME financing, ICT and research and development.

Eleuterio Vallelado-González is Professor of Finance at the Universidad de Valladolid. Born in Laguna de Duero (Spain), he obtained his Bachelor's degree in Economics and Business, his PhD at the Universidad de Valladolid and an MBA from New York University. He is author of several books, and his articles can be found in the Journal of Banking and Finance, Applied Economics, Financial Review, Abante, the Spanish Review of Finance and Accounting and Cuadernos de Economía y Dirección de Empresas, among others. His research interests include corporate finance, corporate governance in banks and behavioral finance.

Thomas Weyman-Jones has been Professor of Industrial Economics at Loughborough University in the UK since 1995. His research interests include efficiency and productivity analysis and applied microeconometrics, and how these techniques can be used to inform regulatory policy. His published research work has examined the economic performance of European and Asian banking systems, and has also been applied to European airlines, energy and water supply networks and climate change.

Zhi Shen has completed his PhD at the Department of Economics at Loughborough University. His research interests are mainly on

efficiency and productivity analysis in banking industries. His work on cost efficiency analysis in Asian banking industries has been published in the *Journal of Chinese Economic and Business Studies* and presented at several international conferences including the fifth North American Productivity Workshop, 2008.

Jonathan Williams is Professor in Banking and Finance at Bangor University, UK. His research interest focuses on banking sector deregulation. He has written on bank privatization, foreign banks, governance, efficiency and productivity, competition and risk, market power, management behaviour and mergers and acquisitions. His recent empirical work includes discrete choice modelling of bank failure and consolidation in Latin American banking sectors.

Contents

Li	List of Tables and Figures	
No	otes on Contributors	xii
	troduction anco Fiordelisi, Philip Molyneux and Daniele Previati	1
	Part 1 Bank Management, Innovation and Technolog	gy
1	Financial Innovation: Theoretical Issues and Empirical Evidence in Europe F. Arnaboldi and B. Rossignoli	11
2	A New Appraisal of the Structure of European Banking Systems Cristina Ruza, Rebeca de Juan and Marta de la Cuesta González	26
3	The Performance of Intellectual Capital and Banking: some Empirical Evidence from the European Banking System Gimede Gigante and Daniele Previati	41
4	Traditional and R&D Investments: are They really Different? Paola Brighi and Giuseppe Torluccio	59
	Part 2 Efficiency and Productivity of Financial Intermediaries	
5	Incorporating Risk in the Efficiency and Productivity Analysis of Banking Systems Thomas Weyman-Jones, Miguel Boucinha, Karligash Kenjegalieva, Geetha Ravishankar, Nuno Ribeiro and Zhi Shen	91
6	Efficiency and Environmental Factors in Investment Banking Nemanja Radić, Claudia Girardone and Franco Fiordelisi	106

7	Post-merger Bank Efficiency and Stock Market Reaction: the Case of the US versus Europe Dimitris K. Chronopoulos, Claudia Girardone and John C. Nankervis	122
	Part 3 Consolidation in the Financial Industry	
8	The Impact of Corporate Culture, Efficiency and Geographic Distance on M&A Results: the European Case Franco Fiordelisi and Duccio Martelli	139
9	What does Bank Financial Profile tell Us about Mergers and Acquisitions in Latin American Banking? Fatima Cardias Williams and Jonathan Williams	153
10	What are the Determinants of Mergers and Acquisitions in Banking? Elena Beccalli and Pascal Frantz	171
	Part 4 Corporate Governance Issues	
11	An Assessment of Compliance with the Italian Code of Corporate Governance Marcello Bianchi, Angela Ciavarella, Valerio Novembre and Rossella Signoretti	203
12	Sources of Risk and Return in Different Bank Business Models: Comparing Poland with Global Trends Ewa Miklaszewska and Katarzyna Mikolajczyk	219
13	Does Board Composition Affect Strategic Frames of Banks? Alessandro Carretta, Vincenzo Farina and Paola Schwizer	246
14	In Search of an Optimal Board of Directors for Banks Pablo de Andrés-Alonso, M. Elena Romero-Merino, Marcos Santamaría-Mariscal and Eleuterio Vallelado-González	260
15	Value and Governance in the Exchange Industry: the Case of Diversified Conglomerate Exchanges Maurizio Polato and Josanco Floreani	274
Ind	ex	291

Tables and Figures

Tables

1.1	Financial figures all countries 2005–2008	13
41.1	Sample composition	21
2.1	Duda & Hart Index	29
2.2	Panel data estimations for the EU-11	30
2.3	Panel data estimations for the EU-2	31
2.4	Benchmarks for the banking structure (by the end of 2004)	33
2.5	Benchmarks for the banking structure (by the end of 2007)	34
2.6	Convergence ratios	35
3.1	Top ten banks in terms of VAIC values and of	
	the VA for Italian sample (2003–2007)	50
3.2	Comparative VAIC analysis of Central Europe:	
	overview of top ten German banks (2003–2007)	51
3.3	Comparative VAIC analysis of Central Europe:	
	overview of the top ten Spanish banks (2003–2007)	53
3.4	Comparative VAIC analysis of Central Europe:	
	overview of the top ten banks in sample (2003-2007)	53
3.5	Comparative VAIC analysis of Northern European banks:	
	overview of the top ten banks (2003-2007)	54
3.6	Comparative VAIC analysis of Eastern European banks:	
	overview of the top ten Eastern banks (2003–2007)	54
4.1	The sources of finance: investments vs. R&D	63
4.2	Rationing and sources of finance: investments vs. R&D	64
4.3	Description of variables	66
4.4	Correlations	72
4.5	Investments vs. R&D: LOGIT model	75
4.6	Investments vs. R&D: OLS model	77
4.7	Investments vs. R&D: SUR model	80
6.1	Sample description: number of banks and average	
	asset size by country	111
6.2	Environmental variable definitions and sources	112
6.3	Correlation matrices for the explanatory variables	116
7.1	Descriptive statistics for the bank merger sample	125

viii Tables and Figures

7.2	Time and size distribution of banks included in	
	the estimation of the frontiers	126
7.3	Cumulative daily abnormal returns to stockholders upon	
	merger announcements	130
7.4	Descriptive statistics of the variables used in	
	the univariate analysis	132
7.5	Pearson correlation coefficients: acquirer banks	132
7.6	Abnormal returns and operating efficiency:	
	univariate regressions	133
8.1	Sample description: large M&A deals in European banking	
	between 2000 and 2007	140
8.2	Variables used to investigate short horizon M&A	
	outcomes and their determinants in European banking	145
8.3	The determinants of large successful M&A deals	
	in European banking	146
9.1	Profile of outcomes: Latin America, 1985–2006	157
9.2a	Covariates used in MNLM	160
9.2b	Descriptive statistics, by outcome	161
9.3	Wald tests for combining alternatives outcomes	163
9.4	Wald tests for independent variables	164
9.5	Relative Risk Ratios, by outcome, LatAm	165
10.1	Acquisition likelihood hypotheses and	
	independent variables	175
10.2	Number of M&A deals involving acquirers and	
	targets (by country and by year)	181
10.3	Descriptive statistics	184
10.4	Multinomial logit with hypotheses' variables	187
10.5	Factor analysis – rotated component matrix	190
10.6	Multinomial logit with common factors	194
11.1	The methodology for the assignment of the scores	
	with respect to the two components of the CoRe	
	indicator (i.e. the identification of significant RPTs and	
	the procedures adopted for their approval)	208
11.2	Descriptive statistics for the <i>CoRe</i> indicator	210
11.3	Comparison between actual and formal	
	compliance by sector	211
11.4	Comparison between actual and formal	
	compliance by market index	211
11.5	CoRe indicator and firms' characteristics:	
	test of difference between means	213
12.1	Bank profitability in selected countries: ROE (%)	221

12.2	Evolution of bank organizational structures	223
12.3	Net non-interest income as a percentage of	
	total net income in selected countries	225
12.4	Groups of analysed banks, according to	
	bank business models	228
12.5	Correlation matrix	235
12.6	Regression results: ROA	236
12.7	Regression results: Z-score	237
A12.1	List of analysed Polish banks, by bank types	239
13.1	Roots of verbs or terms indicating strategic actions	251
13.2	Fields for strategic actions and roots of	
	associated verbs or terms	252
13.3	Descriptive statistics	253
13.4	Correlations	253
13.5	Initial cluster centres	254
13.6	Iteration history	255
13.7	Final cluster centres	255
14.1	The main statistics of banking boards	264
15.1	Financial ratios and cost structure for	
	major exchanges	279
15.2	Some performance measures	280
15.3	Trading volumes and revenues in main cash markets	280
15.4	Number of contracts traded and revenues in	
	main derivative markets	281
15.5	Average EV/EBITDA multiples in recent mergers	281
15.6	Exchange value: some comparisons	283
15.7	Estimated post merger values for NYSE	
	Euronext and the LSE Group	284
15.8	Market concentration	286
Figur	es	
1.1	Financial innovation by year (2005–2008)	16
1.2	Total assets and innovation – all banks	18
2.1	Dendogram using average linkage	29
3.1	Sector efficiency analysis in the use of IC in	
	the Italian sample (2003–2007)	48
3.2	Analysis of domestic vs. foreign banks' use of ICE for the	
	Italian sample (2003–2007)	48
3.3	Overview of domestic Italian banks in the VAIC	
	investigation for the period 2003-2007	48

x Tables and Figures

3.4	vaic: mean for italian sample during the period	
	2003–2007	49
3.5	HCE: mean for Italian sample during	
	the period 2003–2007	49
3.6	SCE: mean for Italian sample during the	
	period 2003–2007	49
3.7	CEE: mean for Italian sample during the period	
	2003-2007	50
3.8	Sector efficiency analysis in the use of IC in the	
	German sample (2003–2007)	52
5.1	Shadow price of equity capital in Portugal	
	(1997–2004)	94
5.2	Shadow price of equity in ten Asian countries (1997–2004)	95
5.3	Total factor productivity in the banking system in	
	Portugal (1997-2004)	96
5.4	Total factor productivity in the banking systems	
	of ten Asian countries (1997–2005)	97
5.5	Total factor productivity in the banking	
	system of Russia (1998–2005)	97
5.6	Managerial utility maximization	101
6.1	Cost and profit efficiency estimates (means)	
	by country (2001–2007)	114
6.2	Cost and profit efficiency estimates by country over time	115
8.1	Number and value of M&A deals concluded by	
	financial institutions (as acquirers): the US vs. Europe	141
8.2	Corporate culture and M&A success in EU banking:	
	a summary of estimated empirical relationships	149
12.1	Total assets write-downs, 2007–1Q2009	22 3
12.2	Non-depository funding share and non-interest	
	net income share by bank type	229
12.3	Non-depository funding share and non-interest	
	net income share: impact on ROA and Z-score	230
12.4	Non-depository funding share and non-interest net	
	income share: impact on the Sharpe ratio	231
12.5	Trend of ROA and ROE by bank type	232
12.6	Trend of CAR by bank type	23 3
12.7	Average ratios for different bank business models	
	(2000–2008)	234
14.1	Banking board composition and	
	functioning across countries	264