

Thank you for reading this special issue of *Managerial Finance* on banking. The papers in this issue point out several main trends currently in banking and markets: the impacts of the 2008 crisis, regulation and globalization. Fairbanks *et al.* (2019) analyze participation in the Commercial Paper Fund Facility (CPFF) created by the US Federal Reserve during the crisis and find subsidiaries of large US banks exited before all other groups, thus the CPFF provided support primarily to foreign financial institutions and US non-bank entities. Khan *et al.* (2019) find Pakistani banks shift their portfolios toward risk-free investments, especially during the financial crisis, and disintermediation occurs for all types of banks except Islamic or Sharia compliant banks. Camilleri *et al.* (2019) model the relationship between share price volatility and corporate dividend payments for Mediterranean banks finding dividend yield is more significant than dividend payout when explaining volatility, but not during the crisis from 2008 to 2009. Riahi (2019) investigates the impact of discretionary loan loss provisions and non-performing loans (NPL) on the liquidity risk of both Islamic and conventional banks before and after the global crisis with results indicating a significant difference in the funding and managing of liquidity between the two bank types.

Regulatory impact and the breadth of the geographic scope of these studies show the importance of regulation and banking across the globe. For example, Boora and Jangra (2019) find that Indian public sector banks are positively inclined toward Basel III with awareness of the issues and capital adequacy ratios above 11 percent. Le (2019) shows that liquidity creation is applicable to Vietnamese banks and that tighter capital requirements may reduce liquidity creation, whereas higher liquidity creation may reduce bank capital and lead to higher risk. Quaranta *et al.* (2019) analyze Italian banks and find the best-performing banks provide the best information on the impairment of intangible assets and a strong link between profitability and the quality of financial reporting. Liem (2019) studies the impact of merging Indonesian state-owned banks into one holding thereby increasing market power and finds an insignificant impact toward bank efficiency (BE), bank soundness (BS), and ROA, but the BE Index and BS Rating are significantly related to ROA. Piatti and Cincinelli (2019) investigate Italian banks and find that when the NPL ratio remains below the threshold value estimated endogenously, an increase in the quality of monitoring has a positive impact on the NPLs ratio, and if the NPLs ratio exceeds the estimated threshold, the relationship between the NPLs ratio and quality of monitoring is positive and statistically significant. Duncan (2019) does a case study of a small offshore bank in Belize and finds compliance with international standards is onerous on small banks, but necessary to level the playing field and protect the global system to effectively combat money laundering.

Collectively, these papers expand our knowledge and indicate the need for continued study of regulatory effects and reactions to economic distress across the globe so that banking can continue to provide financial services to help grow economies and manage risk.

**Ken Cyree**

*Department of Finance, School of Business, University of Mississippi,  
Oxford, Mississippi, USA*

### References

- Boora, K. and Jangra, K. (2019), "Preparedness level of Indian public sector banks for implementation of Basel III: an empirical investigation", *Managerial Finance*, Vol. 45 No. 2, pp. 172-189.
- Camilleri, S.J., Grima, L. and Grima, S. (2019), "The effect of dividend policy on share price volatility: an analysis of Mediterranean banks' stocks", *Managerial Finance*, Vol. 45 No. 2, pp. 348-364.



- 
- Duncan, P. (2019), "Isolating small Belize banks from the global system", *Managerial Finance*, Vol. 45 No. 2, pp. 263-277.
- Fairbanks, J., Griffiths, M. and Winters, D. (2019), "Financial crisis solutions in the commercial paper market: an analysis of the CPFF and the TLGP", *Managerial Finance*, Vol. 45 No. 2, pp. 294-310.
- Khan, T.M., Rizvi, S.K.A. and Sadiq, R. (2019), "Disintermediation of banks in a developing economy: profitability and depositor protection in adverse economic conditions", *Managerial Finance*, Vol. 45 No. 2, pp. 222-243.
- Le, T. (2019), "The interrelationship between liquidity creation and bank capital in Vietnamese banking", *Managerial Finance*, Vol. 45 No. 2, pp. 331-347.
- Liem, M.C. (2019), "Quiet life hypothesis reborn: is 'holdinglisation' relevant?", *Managerial Finance*, Vol. 45 No. 2, pp. 278-293.
- Piatti, D. and Cincinelli, P. (2019), "Does the threshold matter? The impact of the monitoring activity on non-performing loans: evidence from the Italian banking system", *Managerial Finance*, Vol. 45 No. 2, pp. 190-221.
- Quaranta, A.G., Di Gabriele, N. and Zigiotti, E. (2019), "Impairment of intangible assets and disclosure by Italian banks", *Managerial Finance*, Vol. 45 No. 2, pp. 311-330.
- Riahi, Y.M. (2019), "How to explain the liquidity risk by the dynamics of discretionary loan loss provisions and non-performing loans? The impact of the global crisis", *Managerial Finance*, Vol. 45 No. 2, pp. 244-262.