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Keisuke Chikamoto, Cheng Lu, Fumiko Takeda, Mariko Watanabe

Authors study the effect of mergers and acquisitions by Chinese acquirers of Japanese targets (China-Japan M&As) on the firm value. Using the data on China-Japan M&As in 1990-2009, researchers find that China-Japan M&As show a greater positive effect on stock prices for the targets than for the acquirers. They also observe the following tendencies: 1) the lower the management efficiency of the target is, the greater the market reactions are; 2) a bailout M&A generates greater market reactions for targets than does a non-bailout M&A; 3) capital participation imparts greater market reactions for the target than occur with other forms of M&A; and 4) targets experience smaller market reactions from the subsidiary sales than occur with other forms of M&A.

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Electra Pitoska, Themistokles Lazarides

The economic crisis has caused great changes in Greek economy, which are obvious in the banking field as well. Under the light of these unpleasant circumstances, the banking system was (and maybe still is) in danger of collapsing, a possibility that would probably affect countries abroad. In order to avoid this collapse, the sustainable banks were further supported and the non-sustainable were purged. This strategy aimed to stabilize the financial system through bank mergers and acquisitions.
This paper analyses bank M&As in Greece and highlights the state of employees during the economic crisis.

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Barbara Monda, Marco Giorgino

In this paper, authors design a multi-dimensional index to measure the quality of Corporate Governance systems adopted by firms and use it to investigate the correlation between Corporate Governance quality and firm value. Unlike most studies that examine the relationship between only one dimension of Governance and firm value, we present a complex index (CGI) composed of 39 variables referable to four dimensions: Board, Remuneration, Shareholder Rights and Disclosure.

A MODEL FOR SELECTING NON-EXECUTIVE DIRECTORS: THE CASE OF SOUTH AFRICAN BANKS 51

Ronald H Mynhardt

In the United States, an accusation was made that incompetent boards were ruining some of the once great American companies as the financial crisis of 2008 was a failure of corporate governance. The reason given was that the boards of these companies were private clubs and not representative democracies. Increasing levels of boardroom regulation and risk have also placed greater demands on the non-executive directors of companies meaning that selecting the candidates with the right knowledge, experience and skills is of the upmost importance. A study was conducted amongst South African banks and no consistent model of selecting non-executive directors was found. In this study a model is proposed to select the candidates with appropriate knowledge, experience and skills in the banking industry.

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Themistokles Lazarides

Corporate scandals during the last years have been proven to be stigmata on the corporate environment. Greece has been the focus point for its public financials, but it has its share of corporate scandals. The last thirty years a rapid reform has taken place in Greece. The legal, regulatory and capital market framework has changed in order to create a more comparable, compatible and isomorphic European business environment. Initiatives like the introduction of IFRS (2003-2004), corporate governance best practices (2002-2003), monitoring and auditing reforms, were some of the main tools of creating a new business environment in Greece. The paper argues, using specific data that these initiatives weren't efficient enough, not by designers fault but because they weren't appropriate for the fundamental characteristic of the social, political, legal and economic business environment of Greece. The paper, using the Proton bank case, shows these inefficiencies and highlights the fallacies of the policy makers in Greece and in Europe.

VALUES-BASED MANAGEMENT IN COOPERATIVE BANKS: BALANCING SELF-PERCEPTION WITH PUBLIC PERCEPTION? 69

Anna-Lena Kühn, Markus Stiglbauer, Ev Zschäckel

The main target of cooperative banks is not to maximize profits but to jointly manage a business. With this in mind, assuming a stakeholder-oriented behavior of cooperative banks, authors address whether cooperative banks consider multiple stakeholder values and take a sustainable governance approach. Researchers conduct a content analysis of the annual reports of German cooperative banks, with reference to two research questions: Are the basic principles and values of cooperatives optimally realized and communicated to external stakeholders? Can cooperative banks comply with the requirements of the triple bottom line, namely the economic, environmental and social responsibility? Authors find that cooperative banks do not effectively communicate their cooperative values and thus inadequately manage to demonstrate the implementation of their core values. Yet cooperative banks avail of a sustainable business model that offers the potential of sustainable business conduct.

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Matthias A. Nnadi, Sailesh Tanna, Bariyima Kabel

Dividends, particularly of acquired banks are influenced by several structural adjustments especially after mergers. The paper evaluates the various factors affecting dividend of both acquired and non-acquired banks. Using data from 120 large mergers and acquisitions in Europe, the study finds that while the levels of liquidity, risk, composition of the financial structure are pertinent factors in the dividend policy of banks, the price earning (PE) ratio is specifically fundamental to non-acquired banks. This finding is novel as previous studies on dividend policy do not make this distinction.

THE IMPACT OF COMPANY-SPECIFIC AND EXTERNAL FACTORS ON CORPORATE RISK TAKING: THE CASE OF EGYPTIAN INSURANCE COMPANIES **96**

This paper was extracted

Mohamed Sherif, Mahmoud Elsayed

Using a two-way panel regression analysis with fixed and random effects and the generalized method of moment(GMM), we investigate the impact of both firm-specific and external factors on the risk taking of Egyptian insurance companies. We use hand-collected data of Egyptian insurance companies over the period from 2006 to 2011 to estimate the relationship between total and systematic risks as risk measures and the independent variables. Following Eling and Mark, (2011) the extent of risk taking is quantified through variations in stock prices and these are explained by firm-specific and external factors. We find that differences in company size, interest rate level and economic development affect variations in stock prices. The analysis also highlights differences between the life and non-life insurers, with the non-life insurers exhibiting a higher level of risk (market and premium) and board independence. The pattern of results are qualitatively the same for non-life insurers but different for life insurers when we use GMM method.

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