This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: Financial Sector Development in the Pacific Rim, East Asia Seminar on Economics, Volume 18

Volume Author/Editor: Takatoshi Ito and Andrew K. Rose, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-38684-8

Volume URL: http://www.nber.org/books/ito\_07-2

Conference Date: June 22-24, 2007

Publication Date: February 2009

Chapter Title: List of contributors, indexes

Chapter Author:

Chapter URL: https://www.nber.org/books-and-chapters/financial-sector-development-pacific-rim/list-contributors-indexes

Chapter pages in book: (377 - 389)

## Contributors

Eric Chan Representative Office for Asia and the Pacific Bank for International Settlements 78th floor, Two International Finance Centre 8 Finance Street, Central Hong Kong

Partha Chatterjee Department of Business Policy NUS Business School National University of Singapore BIZ 1 Building, 04-16 1 Business Link Singapore 117592

Menzie Chinn Department of Economics University of Wisconsin 1180 Observatory Drive Madison, WI 53706

David Cook Department of Economics Hong Kong University of Science and Technology Clearwater Bay, Kowloon Hong Kong SAR China Michael Davies Institutional Markets Section Domestic Markets Department Reserve Bank of Australia GPO Box 3947 Sydney NSW 2001 Australia

Pushan Dutt INSEAD 1 Ayer Rajah Avenue Singapore, 138676

Kathy Fogel Department of Finance Sam M. Walton College of Business University of Arkansas Fayetteville, AR 72701

Richard Green USC Lusk Center for Real Estate University of Southern California Los Angeles, CA 90089

Yasushi Hamao Marshall School of Business University of Southern California 3670 Trousdale Parkway, Bridge Hall 308 Los Angeles, CA 90089-0804 Takeo Hoshi School of International Relations and Pacific Studies University of California, San Diego 9500 Gilman Drive La Jolla, CA 92093-0519

Kaoru Hosono Faculty of Economics Gakushuin University Mejiro 1-5-1, Toshima-ku Tokyo 171-8588, Japan

Hiro Ito Department of Economics Portland State University 1721 SW Broadway Portland, OR 97201

Takatoshi Ito Graduate School of Economics University of Tokyo 7-3-1 Hongo, Bunkyo-ku Tokyo 113-0033, Japan

Winston T.H. Koh School of Economics Singapore Management University 90 Stamford Road Singapore 178903

Peter Nicholas Kriz School of Economics Singapore Management University 90 Stamford Road Singapore 178903

Edwin Lai Research Department Federal Reserve Bank of Dallas P.O. Box 655906 Dallas, TX 75265-5906

Mario B. Lamberte Asian Development Bank Institute Kasumigaseki Building 8F 3-2-5, Kasumigaseki, Chiyoda-ku Tokyo 100-6008, Japan

Liew Yin Sze Monetary Authority of Singapore 10 Shenton Way MAS Building Singapore 079117 Youngjae Lim Korea Development Institute PO Box 113 Choengnyang, Seoul 130-D12, Korea

Mei-Rong Lin Department of Money and Banking National Chengchi University No. 64, Zhi-nan Road Section 2 Wen-shan District, Taipei, Taiwan (R.O.C.)

Roberto S. Mariano School of Economics Singapore Management University 90 Stamford Road Singapore 178903

Robert N. McCauley Bank for International Settlements Centralbahnplatz 2 CH-4002 Basel, Switzerland

Randall Morck Faculty of Business University of Alberta Edmonton, T6G 2R6 Alberta, Canada

Tetsuji Okazaki Faculty of Economics The University of Tokyo 7-3-1 Hongo, Bunkyo-ku Tokyo 113-0033, Japan

Chang-Gyun Park College of Business Administration Chung-Ang University 221 Heukseok-dong, Dongjak-gu Seoul 156-756, Korea

Andrey Pavlov Faculty of Business Administration Simon Fraser University 8888 University Drive Burnaby, BC V5A 1S6 Canada

Edward Robinson Monetary Authority of Singapore 10 Shenton Way MAS Building Singapore 079117 Andrew K. Rose Haas School of Business Administration University of California Berkeley, CA 94720-1900

Koji Sakai Japan Society for the Promotion of Science 2-1 Naka, Kunitachi Tokyo 186-8601, Japan

Masaya Sakuragawa Faculty of Economics Keio University 2-15-45 Mita, Minato-ku Tokyo 108-8345, Japan

Wimboh Santoso Bank Indonesia J1. MH. Thamrin 2 Jakarta 10350, Indonesia

Chung-Hua Shen Department of Finance National Taiwan University No. 1, Sec. 4, Roosevelt Road Taipei, 10617 Taiwan (R.O.C.)

Kotaro Tsuru
Research Institute of Economy, Trade, and Industry (RIETI)
11th floor, Annex, Ministry of Economy, Trade and Industry (METI)
1-3-1, Kasumigaseki Chiyoda-ku
Tokyo 100-8901, Japan Susan Wachter Real Estate Department The Wharton School University of Pennsylvania Philadelphia, PA 19104-6302

Yoshitsugu Watanabe Global Security Research Institute Keio University 2-15-45 Mita, Minato-ku Tokyo 108-8345, Japan

Barry Williams Faculty of Business, Technology, and Sustainable Development Bond University QLD 4229 Australia

Julian Wright Department of Economics Faculty of Arts and Social Sciences National University of Singapore AS2 Level 6, 1 Arts Link Singapore 117570

Ho-Mou Wu China Center for Economic Research Peking University Beijing 100871 China

Bernard Yeung National University of Singapore, and Stern School of Business New York University 44 W. 4th Street, KMC 7-87 New York, NY 10012

## **Author Index**

Abiad, A., 159 Acharya, Viral V., 40 Aghion, Philippe, 350, 372 Agrawal, A., 247 Alesina, A., 374 Alfaro, L., 119 Aliber, R. M., 181 Altunbas, Y., 204 Amihud, Ykov, 40 Andrews, Edmund, 354n1 Aoki, Masahiko, 354 Arikawa, Yasuihiro, 273n13 Bailliu, J. N., 128n17 Barboza, David, 13 Barnathan, Joyce, 355n4 Barro, Robert I., 357 Barron, J., 188 Barth, J. R., 99, 209, 211 Baruch, Shmuel, 71 Beck, T., 119, 122, 122n7, 122n9, 123, 132n23, 148, 157, 157n1 Bekaert, G., 136 Berger, Allen N., 208, 267, 268, 295, 296, 314 Bernanke, B., 118, 119, 150, 151 Bertola, G., 171n11 Bliss, Richard T., 270 Boone, A. L., 247 Borenzstein, E., 204n2 Borg, J. R., 247 Botero, Juan, 360 Bowers, Tab, 38

Boyd, J. H., 134 Bradsher, Keith, 13 Brealey, R., 204 Brewer, E., III, 318, 325, 333 Brickley, J. A., 247 Bris, A., 247 Brown, S. J., 242 Bruner, R., 242, 247, 261 Buch, C. M., 204, 208, 217, 218 Caballero, Ricardo J., 119n2, 300n26, 321 Cabolis, C., 247 Campa, J. M., 204 Caprio, G., 99, 211 Carey, M., 110 Carkovic, M., 204n2 Chan, Eric, 3, 113 Chang, Y. H., 209 Cheung, Lillian, 14, 25, 28 Chew, C., 158 Chinn, Menzie, 4, 5, 119, 122n8, 125, 126n15, 127, 128n16, 128n17, 129, 144, 146, 148 Chou, H. H., 204 Chow, Hwee Kwan, 47n1 Chow, Nathan, 23n5 Claessens, Stijn, 355 Clarida, R., 118, 138n34 Clark, K., 243 Clarke, G., 205 Clifford, Mark, 355n4 Cohen, W. M., 373

Cook, David, 26 Corsetti, G., 212 Crook, J., 171n9, 171n12, 172, 173 Dahl, D., 317 Datta, D. K., 247 Davies, M., 113 Davies, S. M., 208 Debelle, Guy, 18 De Gregorio, J., 204n2 Deininger, Klaus, 359 DeLong, G. L., 204, 208, 217, 218, 266n2, 296n25 De Mello, L. R., Jr., 204n2 Demirgüe-Kunt, A., 119, 122n9, 123, 132n23, 148 Demsetz, Rebecca S., 267, 268, 295, 296, 314 DeYoung, Robert, 266n2, 296n25 Diamond, Peter A., 40, 71, 90 Disney, R., 171n11 Djankov, Simeon, 355 Dodd, P., 247 Dooley, M., 121-22, 134, 141n36 Dunning, J., 208 Dutt, P., 374 Edwards, S., 121, 137 Eichengreen, Barry, 40 Eichholtz, P., 105, 105n7 Ellul, Andrew, 71 Emmanuel, F., 119n2 Fabozzi, F., 179, 182 Faccio, Mara, 355 Fecher, F., 204 Feldstein, M., 121, 141n36 Fischer, D., 96–97 Flannery, M. J., 208 Focarelli, D., 204, 206, 207, 209, 297, 313-14 Fogel, Kathy, 9, 350, 355, 357 Folkerts-Landau, D., 122, 134 Frankel, J., 141 Fujino, Shozaburo, 51, 54 Fukao, K., 261, 321 Gale, W., 118-19 Galindo, A., 209, 211n4

Galindo, A., 209, 211n-Gangahar, Anuj, 40 Garber, P., 122, 134 Gibb, Greg, 38 Gillan, S. L., 247 Giovanni, J., 204 Gizycki, M., 113 Grant, C., 171n11 Green, Richard, 4, 5, 96, 96n1, 97, 98 Grossman, G. M., 372 Gyntelberg, Jacob, 18, 112, 113 Hahn, C., 184, 185 Hamao, Yasushi, 4 Harada, K., 319n1 Harford, Jarrad, 273 Harimaya, Kozo, 267, 268n5 Harvey, C. R., 136 Healy, P. M., 243 Helpman, E., 372 Hernando, I., 204 Herring, R., 110 Ho, Corrinne, 14, 18 Högfeldt, Peter, 355 Honoré, B., 171 Horioka, C., 121, 141n36 Hosano, Kaoru, 7-8, 54n3 Hoshi, Takeo, 4, 51, 54, 89, 270n9, 271n11, 300n26, 319n2, 321, 327, 341 Hosono, Kaoru, 268, 317, 321, 327 Howitt, Peter W., 350, 372 Hur, S., 182 Ishii, Kanji, 51 Ito, Hiro, 4, 5, 119, 122n8, 125, 126n15, 128n17, 129, 144, 146, 148 Ito, Takatoshi, 96, 317, 319n1, 341, 344 Jaffe, J. F., 247 Jao, Yu Ching, 14, 16-17 Jarrell, G. A., 247 Jensen, M. C., 242 Johnson, S., 122n7 Kahneman, Daniel, 369 Kalemi-Ozcan, S., 119 Kano, Masaji, 273n14 Kaplanis, E., 204 Kashyap, Anil, 51, 54, 54n3, 89, 270n9, 271n11, 300n26, 319n2, 321 Kataoka, Yutaka, 52n2 Kaufman, D., 209 Kensinger, J. W., 247 Kikkawa, Takeo, 81 Kim, J., 177 Kim, W., 208 Kindleberger, Charles, 181, 346, 348 King, R. G., 120n4 Kish, R. J., 204, 207 Klepper, S., 373

Kobayashi, A., 319, 337, 338 Kondo, K., 267 Kose, M. A., 121 Kraay, A., 209 Kriz, Peter Nicholas, 47n1 Krueger, Anne, 369 Kryzanowski, Lawrence, 346 Kwong, Robin, 40 Lamberte, Mario B., 5 Lane, Philip R., 14, 25, 46, 148 Lang, Larry H. P., 355 La Porta, R., 134-35, 136, 209, 355, 356n6 Lee, Jong-Wha, 128n16, 204n2, 357 Leeth, J. D., 247 Leigh, D., 159 Levine, R., 99, 119, 120n4, 122, 122n7, 122n9, 123, 132n23, 134, 148, 204n2, 211 Lin, Mei-Rong, 6-7 Liu, Hongzhong, 17n3 Loayza, N., 122 Lopez-de-Silanes, F., 136, 355, 356n6 Lowe, P., 113 Lu, Quing, 18 Luengnaruemitchai, Pipat, 40 Lundblad, C., 136 Ma, Guonan, 14, 18, 19n4, 24, 112 Mainelli, Michael, 13, 28n8 Mandelker, G. N., 247 Mariano, Robert S., 4, 5 Marques, D., 204 Martin, J. D., 247 Masiyiwa, Strive, 352–53 Mathieson, D., 141n36 McCauley, Robert N., 3, 14, 18, 24, 30 McMillan, J., 122n7 Meeks, G., 242 Mendoza, E. G., 119n2 Mera, K., 96 Meyer, David, 13, 15n1 Miao, Hui, 23, 23n5 Micco, A., 209, 211n4 Milesi-Ferretti, G. M., 148 Miller, M., 96 Mishkin, Frederic S., 344 Mitchell, Mark L., 272 Mitra, D., 374 Miwa, Yoshiro, 51 Miyajima, Hideaki, 273n13 Miyamoto, Matao, 81 Modigliani, F., 179, 182

Mody, A., 159 Morck, Randall, 9, 350, 355, 357 Mueller, D., 242 Mulherin, J. Harold, 247, 272 Mutsuko, Murakami, 354n3 Narayanan, V. K., 247 Netter, J. M., 247 Noda, Masao, 52n2, 81 Obstfeld, M., 121 Ofek, E., 243 Okada, Tae, 266n2, 267 Okawa, Kazushi, 53 Okazaki, Tetsuji, 4, 51 Orszag, P., 118-19 Pagano, Marco, 71, 76, 90 Palepu, K. G., 243 Panetta, Fabio, 76, 297, 314 Park, C., 182, 184, 185, 188 Park, Chang-Gyun, 4-5, 6 Pastor, Lubos, 40 Pavlov, Audrey, 4, 5, 99, 107, 110 Pedersen, Lasse Heje, 40 Peek, Joe, 300n26, 317, 319, 321, 341 Peng, Wensheng, 23, 23n5 Perotti, R., 374 Persson, T., 374 Pesenti, P., 212 Pestieau, P., 204 Pierre-Olivier, G., 119n2 Pinches, G. E., 247 Plumb, Michael, 18 Portes, R., 204, 206 Pozzolo, A. F., 204, 206, 207, 209, 297, 314 Prasad, E., 127, 205n2 Prasso, Sheri, 355n4 Qiu, L. D., 218 Quandrini, V., 119n2 Rajan, R. G., 120n4, 355 Ramseyer, Mark, 51 Reed, Howard Curtis, 14, 15, 31 Remolona, Eli M., 19n4, 112, 113 Renaud, B., 96, 97 Rey, H., 204, 206 Rhoades, Stephen A., 297, 314 Ríos-Rull, J. V., 119n2 Roberts, Gordon S., 346 Roe, Mark, 355

Rogoff, K., 121

Rose, Andrew, 13 Rosen, Richard J., 270 Rosengren, Eric S., 300n26, 317, 319, 321, 341 Rossi, S., 209, 218 Roubini, N., 212 Ruback, R. S., 242, 243, 247 Saar, Gideon, 71 Sabi, M., 208 Sakai, Koji, 7-8, 268 Sakuragawa, Masaya, 8, 317, 321, 327 Sasaki, Y. N., 317 Sawada, Michiru, 51 Schenk, Catherine, 39 Scherer, F. M., 373 Schumpeter, Joseph, 350, 372, 373 Schwert, G. W., 247 Sen, Amartya, 353 Shen, Chung-Hua, 6-7, 204, 209 Shih, S. H. M., 203 Shimura, Kaichi, 52n2 Shin, I., 184, 185, 188 Shleifer, Andrei, 136, 273n13, 355, 356n6, 369 Shrieves, R. E., 317 Shun, Christopher, 105, 105n7 Sierra, C., 209, 211n4 Skinner, D. J., 317, 320 Smith, B. D., 134 Spiegel, Mark M., 13, 319, 321 Sprague, Jonathan, 354n3 Squire, Lyn, 359 Stambaugh, Robert F., 40 Staten, M., 188 Strahan, Philip E., 267, 268, 295, 296, 314 Takamura, Naosuke, 81 Teranishi, Juro, 51, 54 Tesar, L., 121n6 Thompson, R., 98

Tinbergern, J., 206 Tsuro, Kataro, 7-8, 268 Tsutsui, Yoshiro, 273n14 Tucker, Sundeep, 40 Tversky, Amos, 369 Vasconcellos, G. M., 204, 207 Vishny, Robert W., 273n13 Volosovych, V., 119 Volpin, P. F., 209, 218 Wachter, Susan, 4, 5, 98, 107, 110 Warner, J. B., 242 Watanabe, Yoshitsugu, 8 Wei, S. J., 205n2, 208, 209, 219n6 White, Halbert, 368 Williams, B., 206 Wong, Jeffrey, 38 Wong, Y. C. Richard, 13 Woodruff, C., 122n7 Wooldridge, Jeffrey M., 289n23 Wu, Ho-Mou, 7 Wurgler, J., 120 Yafeh, Yishay, 270 Yam, Joseph, 23 Yam, Shirley, 23 Yamori, Nobuyoshi, 267, 268n5, 319, 321, 337, 338 Yang, Changjiang, 17n3 Yeandle, Mark, 13, 28n8 Yeung, Bernard, 9, 350, 355, 357 Yeung, Vincent, 28 Yokoyama, Kazuki, 51 Yosha, Oved, 270 Yoshida, Junjo, 81 Zhou, W., 218 Zingales, Luigi, 76, 120n4, 355 Zoido-Lobaton, P., 209

## **Subject Index**

Page references followed by t or f refer to tables and figures, respectively.

AAR. See Average abnormal returns (AAR) Abnormal returns: average, 247; cumulative, 247-52 Accounting indicators, before and after mergers and acquisitions, 254-58 Adjustable rate mortgages (ARMs), 99 Ashikaga Bank (Japan), 323; data for, 328-29; empirical results for, 329-33; event-study method for, 323-28 Asia. See East Asia Asian financial crisis, 96 Asset securitization, in East Asia, 4, 5 Average abnormal returns (AAR), 247 Bank consolidations, hypotheses on motives for, 268-70 Bank lending, real estate market crashes and, 110 Banks, Asian, consolidation of, 203 Banks, Japanese: analysis of, 276-79; data source for, 275-76; mergers and acquisitions of, introduction to, 265-67; overview of mergers of, 270-72, 271t; postmerger performance of, background for, 295-97; postmerger performance of, for major, 297-301, 298-99f; postmerger performance of, for regional, 301-3, 302-3f; premerger and postmerger performances of, 279, 28081f; premerger and postmerger performances of regional, 279, 282–83f; regression results for major, 286–89, 287–88t; regression results for regional, 289–90f, 289–92; wave of mergers of, 270–72; wave of mergers of, empirical analysis for, 272–75. *See also* Japan; Mergers and acquisitions (M & As); *Shinkin* banks

Big business stability, 350; basic freedoms and, 353; data for, 355–60; equality and, 353–54; findings for, 360–68; income inequality and, 366, 366t; labor power and, 366–67, 367t; measures of, 357–60, 361–63t; quality of public goods and, 364, 365t; robustness checks for, 367–68; social goals and, 350–51; summary statistics of, 358t. See also Stability

Bond markets, effects of, and current accounts, 142–45, 145t

Bourse Act (1887), 57

Bullet mortgages, 179-83, 180n18

Capital market development, Shanghai vs. Hong Kong, 18–20, 20t CAR. *See* Cumulative abnormal returns (CAR)

Chaebols, 174

- China: accounting indicators before and after mergers in, 254–58; financial consolidation in, 7; financial development in, 126–27; growth of, 2; Hong Kong's share of projected international banking position of, 28; merger activities in stock market of, 243–45; mergers and acquisitions in, 2, 241–43; projected international banking position of, 26–28; stock markets in, 241; stock market valuations of M & A events in, 245–65. *See also* Hong Kong; Shanghai
- China Railway Engineering Group, 23
- Conservative bias, 351
- Consolidations, bank. See Mergers and acquisitions (M & As)
- Corporate turnover, economic growth and, 9
- Cotton spinning firms, Japanese, listing decisions on Tokyo Stock Exchange and, 76–79
- Creative destruction, 350
- Credit card crisis, in Korea, 6, 161, 189-95
- Credit delinquents, in Korea, 183–89, 183n21, 184n22
- Credit information systems, in Korea, 186–88
- Cross-border mergers and acquisitions (M & As): cross-border, 2, 205; data description of, 211–14; descriptive statistics of, 214, 215t; determinants of, 216t; econometric model of, 211; empirical results, 214–22; hypotheses related to, 7, 205–11; literature on, 206–11; numbers of, in Asian countries, 212–14, 213t; results of study of, 214–22; robustness testing for, 222–30
- Cumulative abnormal returns (CAR), 247–52
- Current account balances: bond markets and, 142–45, 145t; effect of financial development on, 119; implications of, 117; introduction, 117–20. See also Financial development
- Derivatives, Hong Kong vs. Shanghai and, 17–18, 19t
- Developers: empirical results for, 106–10; model for behavior of, 99–105; risky, underpricing lenders and, 102–3; safe, rational lenders and, 101–2

Dual-track equity system, 241; reform of, 244

East Asia: asset securitization in, 4, 5; changes in financial sectors of, 1–2; cross-border M & As in, 212–14, 213t; effects of financial development and financial opening in, 138–42; financial market development in, 4, 5; international financial centers in, 15; lag in financial innovation in, 4–5; M & As in, 6–7, 203; state of financial technology in, 2–3

East Asia Seminar on Economics (EASE), 1 Econet, 352–53

- Economic growth, corporate turnover and, 9 Economic performance, reform and, 8
- Eichel, Hans, 353
- Event-study method, 242–43, 319; for Ashikaga Bank, 323–28; data for, 328– 29; empirical results for, 329–33; for Resona Bank, 323–28
- Evergreen, 321
- Exchange Act (1887), 57
- Exchange Act (1893), 57 Exchange Act (1922), 59
- Exchange Ret (1722), 57
- Federal Institutions Reform, Recovery and Enforcement Act (1989), 98–99
- Financial consolidation, 6; in China, 7. See also Cross-border mergers and acquisitions (M & As); Mergers and acquisitions (M & As)
- Financial development: in China, 127; data used for, 119-20; defining and measuring, 119; in East Asia, 5; effect of, on current account balances, 119; effect of, on saving, 121; effects of, and financial opening for emerging Asia, 138-42; institutional development and, 119; liberalization and, 121; market size and, 122-25, 123f; net interest margin and, 132, 133t, 134; openness of financial markets and, 119; regressions for, 127-28; results of analysis, 129-38: robustness checks for regressions of, 134-38; stock market turnover ratios as measure for, 132-34, 133t; theoretical perspectives of, 120-22. See also Current account balances Financial institutions. See Banks, Asian;
- Banks, Japanese

Financial openness, 119, 126, 127f

- Financial Reconstruction Act (1998), 320
- Financial Rehabilitation Plan, 272
- Financial Restructuring Agency (FRA), 97
- Financial Services Agency (FSA), 319
- Financial Supervision Agency (FSA), 272
- First kind, 248
- Following the client hypothesis, 7, 205, 206–7
- Foreign currencies, trading of, Hong Kong vs. Shanghai and, 17–18, 19t
- Foreign direct investment, 204-5n2
- FRA. See Financial Reconstruction Act (1998)
- FSA. See Financial Services Agency (FSA); Financial Supervision Agency (FSA)
- Futures transactions, 58–59
- Global Property Research (GPR), 105-6
- Global saving glut, 118-19, 120-21, 150
- Gramm-Leach-Bliley Financial Service Modernization Act, 267 Gravity hypothesis, 7, 205, 206
- Hang Seng Index Company, 23
- Herfindahl Index, 273, 274
- Hong Kong: banking assets and liabilities in, 18t; capital market development and, 18-19, 20t; China's projected international banking position and, 28; derivatives markets in, 19t; future of Shanghai and implications for, 24–30; as international financial center, 3, 13; as international financial center, 1900-1980, 14–16; as international financial center today, 16-24; legal system of, 21; market capitalization and, 20-21; price-earning ratios of, 21-22, 22f; real estate crash in, 108-9; trading of derivatives, Shanghai vs., 17-18; trading of foreign currencies, Shanghai vs., 17-18. See also China
- Household debt, in Korea, 162–64; by lender type, 164–68, 165t

Indonesia, bank mergers in, 231

- Information cost hypothesis, 7, 205, 208
- Initial public offerings (IPOs), 21f; in major stock exchanges, 21; Tokyo Stock Exchange and, 71–76
- Institutional development: financial devel-

- opment and, 119; measuring, 125–26; theoretical perspectives of, 122
- International financial centers: in Asia, 15; Hong Kong as, 13; Reed's ranking of, 14–15, 15f; Shanghai as, 13
- IPOs. See Initial public offerings (IPOs)
- Japan: bank consolidation in, 7-8, 267-68; banking crisis of, 2; corporate bailouts in, 354; effects of reforms in, 8-9; evolution of stock markets in, 57-58, 58f; Exchange Act (1887), 57; Exchange Act (1893), 57; Exchange Act (1922), 59; financial supervisory policy in, 319-23; funding patterns of corporations in, 54, 56t; international comparisons of stock market sizes of, 55-56t; mergers and acquisitions of banks in, introduction to, 265-67; overview of prewar financial system of, 53-58; prewar history of stock market development in, 53-58; public bond markets in, 125; regulatory forbearance in, 2; size of prewar stockmarket in, 55t; stock market development in, 53f. See also Banks, Japanese; Takenaka Plan; Tokyo Stock Exchange (TSE)
- Korea: bank loans to households in, 164-65, 166f; bank mergers in, 231; bullet mortgages in, 179-83; bust of credit card market in, 6; causes of increase in household debt in, 173-77; changes in financing patterns in corporate sector of, 174-75, 175; consequences of increase in household debt in, 177-89; credit card companies in, 165-68, 185-86; credit card crisis in, 6, 161, 189-95; credit delinquents in, 183-89, 183n21, 184n22; credit information systems in, 186-88; deregulation of financial sector in, 176; deregulation of mortgage and credit card businesses in, 5; distribution of household debt in, 168-73; growth of household credit in, 161; household debt by lender type in, 164-68, 165f; income-to-house price ratio in, 180, 180n18; increase in credit card loans in, 185-86; increase in household debt in, 162-64; interest rates, 1997-2005, in, 173-74, 174f; loan portfolios of banks in, changes in, 175-76, 175f;

Korea (continued) loans to households secured by residential properties (LSRPs) in, 165; mergers and acquisitions in, 2; regulatory failures in, 193–95

Kyushu Railroad, 72

Lenders: behavior of, 103–5; data description for, 105–6; empirical results for, 106–10; model for behavior of, 99–105; rational, safe developers and, 101–2; underpricing, risky developers and, 102–3

Leophairatana, Prachai, 352

Liberalization, financial: effects of financial development and, in emerging Asia, 138–42; financial development and, 121

Loans to households secured by residential properties (LSRPs), in Korea, 165, 165n3, 178–79

- London, as international financial center, 15 Lucas paradox, 119
- Mahathir, Mohamad, 352, 354
- Malaysia, bank mergers in, 231

Market instruments backed by loans (MBS), 95

Market opportunity hypothesis, 7, 205, 207–8

Market size: financial development and, 122–25; regression results for, 132–33, 133t

M & As. See Cross-border mergers and acquisitions (M & As); Mergers and acquisitions (M & As)

Mergers and acquisitions (M & As), 2; accounting indicators before and after, 254–58; in Asia, 6–7; of Asian banks, 203; of banks in Japan, 7–8; of banks in Japan, introduction to, 265–67; in China, 7; in China's stock market, 243–45; in Eastern Asia, 203; stock market valuations of, 245–54. See also Banks, Japanese; China; Cross-border mergers and acquisitions (M & As)
Miyagi Boseki Dento, 72–74, 73f

Mugabe, Robert, 352

Net interest margin (NETINT), 132, 132n23, 132n24, 133t, 134, 134n25 New York, as international financial center, 15 Onshore international financial centers: development of, 13 Openness, financial markets and, 119 Organization for Economic Cooperation and Development (OECD) economies: international banking positions in, 25–26, 27t

Pan Asia Index Fund, 19n4 Parallel markets, 241 Philipp Holzmann, 353–54 Philippines, bank mergers in, 231 Private bond markets, 123–25 Public bond markets, 125

Real estate market crashes, 108–9; bank lending and, 110; lender and developer behavior model for understanding, 99–105; in Thailand, 97

Reform, economic performance and, 8

Regulatory forbearance, in Japan, 2

Regulatory restriction hypothesis, 7, 205, 208–11

Resolution Trust Corporation (RTC), 98–99

Resona Bank (Japan), 322, 323, 337–38, 337t, 339t; data for, 328–29; empirical results for, 329–33; event-study method for, 323–28

Riegle-Neal Interstate Banking and Branching Efficiency Act (1994), 267

RTC. See Resolution Trust Corporation (RTC)

Saving glut thesis, 118-19, 121-22, 150

Schroeder, Gerhard, 354

Second kind, 248

- Shanghai, 21–22; banking assets and liabilities in, 18t; capital market development and, 18–19, 20t; derivatives markets in, 19t; future of, and implications for Hong Kong, 24–30; as international financial center, 3, 13; as international financial center, 1900–1980, 14–16; as international financial center today, 16–24; market capitalization and, 20–21; price-earning ratios of, 22f; trading of derivatives, Shanghai vs., 17–18; trading of foreign currencies, Hong Kong vs., 17–18. See also China
- Shinkin banks, 266, 266n1; analysis of, 276– 79; data source for, 275–76; mergers

among, 271, 272; postmerger performance of, 303–6, 304–5f; premerger and postmerger performances of, 279, 284–85f; regression results for, 292–95, 293–94f. *See also* Banks, Japanese; Japan

- Singapore, bank mergers in, 231–32
- SK Global Corporation, 190-92
- SMTO. See Stock market turnover (SMTO)
- Sogo Department Stores, 354
- Spot transactions, 58
- Stability: basic freedoms and, 353; equality and, 353–54; fraternity and, 354–55; politicians and, 351–53. See also Big business stability
- Stock Exchange Act (1878), 58-59
- Stock markets, effect of reform on economic performance and, 8
- Stock market turnover (SMTO), 123n11, 132–34, 132n22, 133t
- Taiwan, bank mergers in, 232
- Takenaka Plan, 8, 317–18, 321, 336t; accuracy of evaluating bank assets and, 323; components of, 321–22; data for, 328–29; effects of announcement for implementing, 333–37, 335t, 336t; empirical results for, 329–33; event-study

method for, 323-28; release of, 333-34,

335t. See also Banks, Japanese; Japan Thailand: bank mergers in, 232; real estate crisis in, 97

- Thai Petrochemical Industries, 352
- Tokyo Stock Exchange (TSE), 4, 60f, 77f; development of, 58–63; history of book value of stocks listed on, 61–62, 61f, 62f; history of number of stocks listed on, 59–61, 65–66, 65f; introduction, 51–53; IPOs and, 71–76; listing criteria and growth of, 66–71; listing decisions of cotton spinning firms on, 76–79; macroeconomic condition and growth of, 63–66; regional distribution of companies listed on, 62–63, 63t; spot exchange transactions and, 68–69, 70t. *See also* Japan
- TSE. See Tokyo Stock Exchange (TSE)
- United States: bank consolidation in, 267; public bond markets in, 125; savings and loan crisis in, 97–98; size of prewar stock market in, 55t
- Use and Protection of Credit Information Act (UPCIA) (1995), 188

Zimbabwe, 352–53