## **INDEX**

Altman Z-score, 131–133 American Stock Exchange (AMEX), 125  Apple, 31 Aspirational culture, 3–4 Audit committee, 102–103 expertise, 102–103 independence, 102–103 independence, 102–103 Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  Carter concerns as mechanism, 66–69 Carter for Pagenersh in Sequeity Prices  Career concerns as mechanism, 66–69 Carter for Pagenersh in Sequeity Prices  Composite measures, 1–2 Conventional banks (CBs), 157, 159–160 CSR disclosure in, 160 Corporate culture, 1–2, 4 data, 6–8 findings, 8–25 literature review, 3–5 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on banks' financial performance, 161–162 practices, 157	Adhocracy organizational culture, 5 All-in-drawn spreads (AISDs), 121,	Clan organizational culture, 5 Community, 21–23
American Stock Exchange (AMEX), 125  Apple, 31  Aspirational culture, 3–4 Audit committee, 102–103 expertise, 102–103 independence, 102–103 independence, 102–103  Bank efficiency, 192, 195 mortgage loan securitization, 209 nommortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  CSR disclosure in, 160 Corporate culture, 1–2, 4 data, 6–8 findings, 8–25 literature review, 3–5 Corporate external financing, 120 Corporate performance, 21–25 community, 21–23 corporate performance, 21–25 community, 21–23 employees relations, 23 employees relations, 23 emvironment, 23–24 human rights, 24 literature oroiew, 3–5 Corporate external financing, 120 Corporate solation, 20 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social Responsibility (CSR), 2, 156 activities, 5 descriptive statisti	120	
Apple, 31 Aspirational culture, 3–4 Audit committee, 102–103 expertise, 102–103 independence, 102–103  Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207  Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  CSR disclosure in, 160 Corporate culture, 1–2, 4 data, 6–8 findings, 8–25 literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate governance, 21–25 community, 21–23 experiormance, 21, 101–102 improvement in, 160 Corporate culture, 1–2, 4 data, 6–8 findings, 8–25 literature review, 3–5 Corporate external financing, 120 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 li		
Aspirational culture, 3–4 Audit committee, 102–103 expertise, 102–103 independence, 102–103  Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  Career concerns as mechanism, 66–69  Career concerns as mechanism, 66–69  Corporate culture, 1–2, 4 data, 6–8 findings, 8–25 literature review, 3–5 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate governance, 21 diversity, 23 employees relations, 23 employees relations, 23 emvironment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on panks' financial performance, 161–162 practices, 157	_ ,	
Aspirational culture, 3–4 Audit committee, 102–103 expertise, 102–103 independence, 102–103  Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  Career concerns as mechanism, 66–69  data, 6–8 findings, 8–25 literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanisms, 121–122 Corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on panks' financial performance, 161–162 practices, 3–5	120	· · · · · · · · · · · · · · · · · · ·
Audit committee, 102–103 expertise, 102–103 independence, 102–103  Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  findings, 8–25 literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate governance, 21–25 community, 21–23 employees relations, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate external financing, 120 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 Corporate external financing, 120 Corporate social review, 3–5 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 emp		
literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21–25 community, 21–23 corporate governance, 21 diversity, 21 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  literature review, 3–5 Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 Corporate external financing, 120 Corporate governance, 21-25 community, 21–23 corporate external financing, 120 Corporate governance, 21-25 community, 21–23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 Corporate governance, 21-25 community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature review, 3–5 corporate governance, 21-25 community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 productions of		
Corporate external financing, 120 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21–25 community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 emvironment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 Career concerns as mechanism, 66–69		
Corporate governance, 21, 101–102 improvement in, 143–145 mechanism, 121–122 Corporate performance, 21–25 community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 161–162 practices, 157		
Bank efficiency, 192, 195 mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  mimprovement in, 143–145 mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	independence, 102–103	
mortgage loan securitization, 209 nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  mechanism, 121–122 Corporate performance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	Rank afficiency 102 105	
nonmortgage loan securitization, 209 impact of securitization on, 201–207 Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  Corporate performance, 21–25 community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
impact of securitization on, 201–207  Bank heterogeneity, 207–208  Bank inputs and outputs, 217  Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125  Bank size, 195–196  Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200  Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  community, 21–23 corporate governance, 21 diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
impact of securitization on, 201–207  Bank heterogeneity, 207–208  Bank inputs and outputs, 217  Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125  Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  Career concerns as mechanism, 66–69  Event and outputs, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  diversity, 23 employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	_0,	
Bank heterogeneity, 207–208 Bank inputs and outputs, 217 Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125 Bank size, 195–196 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  employees relations, 23 environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
Bank inputs and outputs, 217  Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125  Bank size, 195–196 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169  Career concerns as mechanism, 66–69  environment, 23–24 human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24  Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
Bank loans, 120 mechanisms, 143–146 spread, 127–131 variables, 125  Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  human rights, 24 literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	•	
mechanisms, 143–146 spread, 127–131 variables, 125  Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  literature on, 30 market-to-book asset ratio, 25 product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
spread, 127–131 variables, 125  Bank size, 195–196  Banking sector, 158  Bankruptcy of Lehman Brothers, 193, 200  Blockholders, 123–124  Board of directors, 107  Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146  Breusch-Pagan/Cook-Weisberg test (BP test), 169  Career concerns as mechanism, 66–69  market-to-book asset ratio, 25 product's social performance, 24  Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	· · · · · · · · · · · · · · · · · · ·	
variables, 125 Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  product's social performance, 24 Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	The state of the s	· · · · · · · · · · · · · · · · · · ·
Bank size, 195–196 Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  Corporate Social Responsibility (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
Banking sector, 158 Bankruptcy of Lehman Brothers, 193, 200 Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  (CSR), 2, 156 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	The state of the s	
Bankruptcy of Lehman Brothers, 193, 200 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Board of directors, 107 Islamic banks, 160 empirical results, 170–181 impact on nonprice loan terms, 146–147 mechanisms, 143–146 performance measures, 2–3, 6, 8 Breusch-Pagan/Cook-Weisberg test (BP test), 169 practices, 157 activities, 5 descriptive statistics, 170–171 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
200 descriptive statistics, 170–171 Blockholders, 123–124 disclosure in conventional and Board of directors, 107 Islamic banks, 160 Borrower stock liquidity, 127–131 empact on nonprice loan terms, 146–147 mance, 162–163 mechanisms, 143–146 performance measures, 2–3, 6, 8 Breusch-Pagan/Cook-Weisberg test (BP test), 169 positive effect of CSR on banks' financial performance, 161–162 Career concerns as mechanism, 66–69 practices, 157		
Blockholders, 123–124 Board of directors, 107 Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69 disclosure in conventional and Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		· · · · · · · · · · · · · · · · · · ·
Board of directors, 107  Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69  Islamic banks, 160 empirical results, 170–181 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	<del></del>	
Borrower stock liquidity, 127–131 impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69 empirical results, 170–181 negative effect of CSR on performance, mance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
impact on nonprice loan terms, 146–147 mechanisms, 143–146 Breusch-Pagan/Cook-Weisberg test (BP test), 169 Career concerns as mechanism, 66–69 negative effect of CSR on performance, 162–163 performance measures, 2–3, 6, 8 positive effect of CSR on banks' financial performance, 161–162 practices, 157	· · · · · · · · · · · · · · · · · · ·	
146–147 mance, 162–163 mechanisms, 143–146 performance measures, 2–3, 6, 8 Breusch-Pagan/Cook-Weisberg test (BP test), 169 positive effect of CSR on banks' financial performance, 161–162 Career concerns as mechanism, 66–69 practices, 157		
mechanisms, 143–146 performance measures, 2–3, 6, 8 Breusch-Pagan/Cook-Weisberg test (BP test), 169 positive effect of CSR on banks' financial performance, 161–162 practices, 157		
Breusch-Pagan/Cook-Weisberg test (BP test), 169 positive effect of CSR on banks' financial performance, 161–162 practices, 157		· · · · · · · · · · · · · · · · · · ·
(BP test), 169 financial performance, 161–162 Career concerns as mechanism, 66–69 practices, 157	The state of the s	
Career concerns as mechanism, 66–69 practices, 157		
	· //	_
	Career concerns as mechanism, 66–69	practices, 157
Center for Research in Security Prices Teporting, 5	Center for Research in Security Prices	reporting, 5
(CRSP), 124 research findings, 171–181		

224 INDEX

washing, 2–3	impact of bank performance on
Corporate values, 2	voluntary ESG disclosure,
Correlation matrix, 218	176
Correspondence analysis model (CA	disclosure score, 165–166
model), 8, 10	impact of ESG on bank
Cost of bank loans, 120–122	performance, 171–176
Credit rating, 126	Execucomp database, 31–32, 36
Credit risk (CR), 168	Exogenous shocks, 76–77, 121
Cumulative abnormal returns	Exploitative innovation, 50–53
(CARs), 93–94	Exploratory innovation, 50–53
Cumulative distribution function	External equity financing, 123
(CDF), 93–94	1 7 2
Current ratio, 126	Falsification test, 77
Current ratio, 120	Financial constraints, reduction in,
Data Envelopment Analysis (DEA)	143
Data Envelopment Analysis (DEA),	Financial crisis, 194
31–32, 45, 192, 195	Financial performance measures,
DEA-based ability measure,	164–165
32–33, 42–44, 46	Firm performance, 30
investigating variation in, 45–46	Firm-fixed effects, 134
Decimalization, 121	Fixed effects probit model, 59
Decisions, 35	r
Delaware, 122	GCC
Diagnostic tests, 169	banks, 157–158
Dickey-Fuller test, 45–46	demographics of banking sector in,
Difference-in-differences methodol-	159–160
ogy (DiD methodology),	financial institutions, 157
33, 62–65, 121, 138, 142,	model and hypotheses, 160–164
193, 199	research sample and methodology,
Disclosure, 157	164–169
Diversification, 193–194	stock exchanges, 158
ratio, 195–196	Gender diversity, 102
Diversity, 23	General Ability Index (GAI), 43–44
Durbin Chi-square test statistic,	Generality of patents, 53–58
134–135	GMM methodology, 158–159, 168
Durbin Wu Hausman test (DWH	Golden parachutes, 35–36
test), 169	Good corporate governance, 101–102
Dynamic patterns analysis, 206–207	gevernance, for for
	Heckman self-selection model.
EBITDA, 126	192–193, 198, 201
Econometric techniques, 133, 168–169	Herfindahl-Hirschman Index,
Efficiency Scores, 198	195–196
Employees relations, 23	Heteroskedasticity issues, 88
Environment, 23–24	Hierarchical organizational culture, 5
Environmental, social, and	High-ability managers, 31–32
governance (FSG) 6–8	Higher delta WPS, 35

Index 225

Higher stock liquidity, 123	research method, 84
Human rights, 24	robustness checks, 88
11000000, 21	sample construction, 81–84
Industry	state-level analysis, 91
	summary statistics, 84–86
models to distinguish industry and	
values effects on perfor-	tax benefits in, 76
mance, 15–21	effect of tax changes in neighboring
and organizational culture, 4	states, 90–91
relationship between performance	effect of tax changes on firms'
measures and industries,	decisions, 77
13–15	transactions, 76
Innovation, 29–30	Liquidity
managerial characteristics, and	index, 192–193, 198
compensation, 58–59	ratio, 195–196
Innovative efficiency, 29–30	Loan Pricing Corporation (LPC), 124
Institutional ownership, 126	Loan sale activities on efficiency
Instrumental variables approach,	scores, 209–212
134–135	· · · · · · · · · · · · · · · · · · ·
Internal audit, 102	Local-market power, 195–196
data and methodology, 105–109	Logistic regression, 77, 84
effort, 104	London Interbank Offered Rate
literature review, 104–105	(LIBOR), 121
results, 109–113	Lower-ability managers, 31–32
Investment in internal audit, 106	
	Mahalanobis matching, 59–62
Islamic banks (IBs), 157, 159–160	Managerial ability, 30–33
CSR disclosure in, 160	construction of innovation
Israel Securities Authority (ISA), 105	measures, 40–42
Israeli market, 103	data, 36–46
	DEA-based managerial ability
Justification, 169	
	measure, 42–46
KPSS Patent Data, 33, 36	empirical findings, 46–69
	Marginal tax rates (MTR), 77–78
Leverage, 126	Market organizational culture, 5
Leveraged buyout (LBO), 76	Market-to-book ratio (MBR), 25,
announcement returns, 93-95	126, 165
control groups, 88–90	MaxDebt, 96
data and methods, 81-86	Maya (online reporting system), 105
empirical analysis, 86–97	Means, 196
estimate value of tax benefits,	Medians, 196
95–97	Modified Altman Z-score, 131, 133
heterogeneous treatment effects,	Mortgage loan securitization, 209
91–93	
institutional background, 78–79	Nasdaq, 125
literature review, 78–81	NBER patent database, 33, 36
related literature, 79–81	Net interest income (NII), 165

226 INDEX

New York Stock Exchange (NYSE), propensity score matching, 59-62 125 Non-interest income, 165 Sarbanes-Oxley Act of 2002, 103 Noninterest expense ratio, 195–196 Scaled WPS, 35 Nonmortgage loan securitization, 209 "Scaled-wealth-performance sensi-Nonmortgage securitization ratio, 193 tivity" measure, 144-145 Nonperforming loans, 195-196 Securities and Exchange Commission (SEC), 105 Ordinary least squares (OLS), 127, Securities Data Company (SDC), 168, 198 81 - 82Organizational culture Securitization, 191-192 industry, and performance data and variables, 194-198 relationships, 4-5 descriptive statistics, 196-198 industry and, 4 empirical strategy, 198-201 as values, 3-4 impact, 192-193 Originality of patents, 53–58 impact on bank efficiency, 201–207 ratio, 195 Securitizers, 196–198 Patent quantity, quality, and innova-Self-citations, 53 tive efficiency, 46–50 Signaling theory, 195 Patented innovations, 34 Slack resource theory, 162 Patents of firms, 34 Social responsibility, 157 Peer liquidity index, 192-193, 198 Split sample analysis, 219–220 Performance, 157 Stakeholder's theory, 161 Performance variables, 28 Standard deviations (SDs), 196 Poisson regression, 91 State-level corporate tax, 192–193, Pre-SOX empirical studies, 104–105 198-199 Product's social performance, 24 Stock liquidity, 119–120 Propensity score matching process, bank loan variables, 125 59, 62, 139 data sources and sample selection, Property, plant, and equipment 124–125 (PPE), 126 descriptive statistics, 127 empirical results, 127-133 R&D expenditures, 29–30, 36, 40, 49 endogeneity concern, 133-142 Regression analysis, 15, 77, 86, 88 mechanisms, 121-122 Relative effective spread (RES), 125 negative view on stock liquidity RepayDebt, 96-97 and loan costs, 124 Restatements, 102 positive view on stock liquidity and Retained interest ratio, 195 loan costs, 123-124 Return on assets (ROA), 77–78, 86, related literature, 123–124 robustness checks, 131-133 126, 164–165 sample construction and variable Return on Equity (ROE), 164–165 Return volatility, 126 definition, 124-127 Robustness, 59-62 variables, 125-126 checks, 88, 131, 133 Super-Analyst, 105

Index 227

System GMM estimator, 168–169

Takeover exposures, 146
Tax benefits, 78, 80–81
estimate value of, 95–97
hypothesis, 76, 80
Tax changes, 77
Tel Aviv Stock Exchange (TASE),

103, 105

Temporal matching method, 77 Tobin Q (TQ), 164–165 Total Capital (TC), 166–168 Total Loans to total deposits (L/D),

166-168

Total securitization ratio, 201 Trade and Quote database (TAQ

database), 124–125 Trade-off theory, 163 Two-by-two typologies, 1–2 Two-stage least squares approach (2SLS approach), 134

United Arab Emirates (UAE), 159

Values, 1–4
category definitions and composition, 7–8
relationship between values and industries, 8–11
relationship between values and performance measures, 11
statements, 6
Variable definition, 216
Vega WPS, 35
Voluntary disclosure (VD), 156
high level, 156–157

Wealth performance sensitivity (WPS), 35, 58 Wealth transfer hypothesis, 80–81