

Accepted Manuscript

Macro Financial Determinants of the Great Financial Crisis: Implications for Financial Regulation

Gerard Caprio Jr., Vincenzo D'Apice, Giovanni Ferri, Giovanni Walter Puopolo

PII: S0378-4266(14)00084-3

DOI: <http://dx.doi.org/10.1016/j.jbankfin.2014.03.001>

Reference: JBF 4375

To appear in: *Journal of Banking & Finance*

Received Date: 15 April 2012

Accepted Date: 4 March 2014



Please cite this article as: Caprio, G. Jr., D'Apice, V., Ferri, G., Puopolo, G.W., Macro Financial Determinants of the Great Financial Crisis: Implications for Financial Regulation, *Journal of Banking & Finance* (2014), doi: <http://dx.doi.org/10.1016/j.jbankfin.2014.03.001>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

**Macro Financial Determinants of the Great Financial Crisis:
Implications for Financial Regulation**

Gerard Caprio Jr., Vincenzo D'Apice, Giovanni Ferri and Giovanni Walter Puopolo¹

Abstract

We provide a cross-country and cross-bank analysis of the financial determinants of the Great Financial Crisis using data on 83 countries from the period 1998-2006. First, our cross-country results show that the probability of suffering the crisis in 2008 was larger for countries having higher levels of credit deposit ratio whereas it was lower for countries characterized by higher levels of: i) net interest margin, ii) concentration in the banking sector, iii) restrictions to bank activities, iv) private monitoring. The bank-level analysis reinforces these results and shows that the latter factors are also key determinants across banks, thus explaining the probability of bank crisis. Our findings contribute to extend the analytical toolkit available for macro and micro prudential regulation.

JEL Classification: G01; G15; G18; G21

Keywords: Banking Crisis, Government Intervention, Regulation

Author's e-mail address: Gerard.Caprio@williams.edu; v.dapice@abi.it; g.ferri@lumsa.it; giovanni.puopolo@unibocconi.it

¹ Gerard Caprio, Jr., is a William Brough Professor of Economics and Chair of the Center for Development Economics at Williams College; Vincenzo D'Apice is economist at the economic research department of Italian Banking Association and research coordinator at Istituto Einaudi (IstEin), Giovanni Ferri is Full Professor at Department of Economic & Political Sciences & Modern Languages at LUMSA - Holy Mary of the Assumption Free University; and Giovanni Walter Puopolo is assistant professor at Bocconi University. This paper's findings, interpretations, and conclusions are entirely those of the authors and do not necessarily represent the views of the World Bank, Italian Banking Association and Bocconi University.

Download English Version:

<https://daneshyari.com/en/article/5088966>

Download Persian Version:

<https://daneshyari.com/article/5088966>

[Daneshyari.com](https://daneshyari.com)