

Index

- abnormal CEO trading, 71, 174
 Admati, 5, 120, 168, 176, 225, 226, 228
- bank capital, 155
 bank capital reform programs, 154, 158
 bank's cost of capital, 169
 Basel III, 155, 156, 157, 158, 159, 221, 222, 223, 224, 225, 235
 Bebchuk, Cohen and Spamann, 44, 175
 Berle and Means, 102
 Bhagat and Bolton, 6, 119, 120, 127, 128, 152, 212, 218
 Bhagat and Romano, 165, 175, 204
Brexit, 97
- carried interest, 76
 CEO turnover, 112, 113
 clawbacks, 1, 87, 88, 89, 90, 96, 203, 214, 216
 CoCo bonds, 160
 compensation committees, 81, 85, 88, 94, 115, 116, 178
 corporate boards, 3, 82, 85, 116, 127, 218
 corporate governance measure, 6, 119, 152
 Cziraki, 70, 232
- debt-based compensation, 1, 2, 7, 91, 93, 94, 217
 deferred compensation, 76, 88, 93
 deposit insurance, 3, 91, 92, 159, 172, 219, 236, 238, 239
 derivative contracts, 81
 derivative transactions, 78
 director compensation, xiv, 6, 9, 101, 113, 114, 116, 120, 153, 183
 director dollar stockholding, 6, 119, 120, 127, 134, 152, 201
 director ownership, 36, 104, 112, 114, 128, 144, 145, 152, 183
 diversification, xiii, 6, 33, 53, 54, 67, 77, 78, 92, 115, 116, 118, 119, 121, 152, 215
 Dodd-Frank Act, xiii, xiv, 1, 4, 88, 176
- endogeneity, 5, 119, 138, 139, 140, 141, 142, 152
 equity capital to total assets ratio (EAR), 125
Estimated Value Lost, 39, 46, 47, 48, 50, 83, 84, 196, 200
 excessive risk-taking, xiii, 1, 2, 5, 6, 24, 30, 31, 67, 69, 70, 72, 87, 88, 89, 90, 119, 122, 152, 154, 163, 174, 175, 205, 211, 214
 executive compensation reform policies, 73
- Fahlenbrach and Stulz, 30
 Fama, 57, 62, 108, 120, 168, 176, 233
 Fannie Mae, 12, 14, 16, 17, 179, 234
 financial crisis, xiii, 1, 3, 6, 9, 12, 19, 27, 33, 34, 35, 39, 70, 89, 91, 121, 130, 145, 146, 147, 157, 158, 159, 160, 161, 170, 174, 202, 204, 206, 224, 226, 230, 232, 234, 235, 240
 Freddie Mac, 12, 14, 16, 17, 179, 234
- GSE Act, 12
- Incentive-based Compensation Arrangements, 95
 independent director, 103, 206
 insider trading, 30, 36, 64, 67, 70, 94, 163
 institutional investors, xiii, 1, 10, 20, 178, 179, 181, 218
- labor force participation rate, 1, 226
 leverage, 5, 9, 118, 119, 127, 152, 155, 156, 157, 158, 159, 168, 172, 176, 205, 221, 222, 223, 225, 228
 liquidity, xiii, 16, 33, 53, 54, 67, 77, 78, 80, 114, 115, 172
 long-term shareholder value, 4, 7, 31, 33, 34, 73, 74, 94, 101, 155, 158, 162, 172, 177, 178
 L-TARP, 36

242 INDEX

- Managerial Incentives Hypothesis*,
 vii, 30, 31, 32, 33, 34, 43, 45, 52, 53,
 54, 67
- Merton DD, 5, 118, 125, 126, 134, 141,
 152, 201
- mid-level managers, 116
- moral hazard, 2, 91, 92, 93, 138, 224
- mortgage backed securities (MBS), 19
- Net CEO Payoff*, 33, 45, 46, 48, 50, 52, 53, 82,
 83, 84, 85, 87, 192, 196, 200
- Net Trades*, 33, 34, 38, 39, 40, 42, 43, 46, 48,
 50, 54, 55, 56, 57, 58, 60, 61, 64, 67, 68, 79,
 83, 84, 114, 163, 164, 196, 200
- non-financial companies, 113, 178
- No-TARP, 36
- Prime Minister May, 97
- prime mortgages, 16
- private equity, 76
- proprietary trading, 4, 177
- Regulatory Hybrid Security, 161, 162
- Restricted Equity proposal, 2, 3, 7, 9, 74,
 75, 77, 79, 81, 82, 85, 87, 89, 91, 92, 93,
 96, 101, 113, 115, 154, 160, 172,
 212, 214
- Restricted-Equity-More-Equity-Capital*, 157,
 160, 161, 162, 166, 173
- retainer, 101, 104, 105, 106, 107, 108, 114,
 127, 218
- return on assets (ROA), 125
- risk-taking, 5
- risk-weighted, 155
- say on pay, 97
- securitization, 18, 19, 22, 23, 172, 179, 229
- shadow banking, 172, 227
- standard deviation of asset returns
 (σ (ROA)), 125
- subprime mortgages, 16
- succession planning, 76
- TBTF, 1
- TLACs (total-loss-absorbing-capacity), 161
- too-big-to-fail, xiii, xiv, 1, 4, 6, 27, 37, 114,
 170, 176, 227, 231
- total shareholder return, 75
- Troubled Assets Relief Program (TARP), 35
- undiversified, 33, 53, 235
- Unforeseen Risk Hypothesis*, vii, 30, 31, 32,
 33, 34, 43, 45, 52, 53, 54
- vesting, 24, 25, 31, 76, 77, 88, 175, 206,
 209, 212
- Volcker Rule, xiv, 4, 177
- Wallison, 12, 174, 240
- write-downs, 64
- Z-score, 5, 63, 65, 71, 118, 119, 121, 125, 130,
 131, 132, 134, 135, 136, 140, 141, 145,
 146, 147, 148, 149, 150, 152, 174, 201, 211