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We chose 4 following methodologies to investigate financial distress and bankruptcy which are Moody's, Standard and Poor's, Vaziri's and Z-score Model. They will be a guideline in analyzing financial ratios of select Thai banks to detect failure potential.

We analyze the reasons like changes in market, policy, economy, and political influence which have led to bankruptcy. Banks or financial institutions from Europe, United States and Asia are considered as samples. Samples are taken from same period to analyze the effect of different methods. The results from this analysis should help us find the most significant method that could be used to identify the risk, so that necessary action could be taken to prevent the effect or reject the project which could lead to bankruptcy in the future. This research would also offer policy recommendations for regulating agencies as to which factors should be analyzed deeply and how to implement a preventive measure ahead of any potential problems.

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EUROPEAN BANKING EFFICIENCY: A PANEL COST FRONTIER APPROACH

In this paper we test banking efficiency across European Union countries in the wake of the recent crisis.

We opt to use the intermediation approach and taking into account the specific character of the bank production activities and the available data, we define a cost frontier function considering three outputs (total loans, total securities and other earning assets) and the prices of three inputs (borrowed funds, physical capital and labour). Our data are taken from the Bankscope database, which is recognised as one of the best sources, since it includes data for all EU countries and guarantees standardisation and comparability, providing data on banks accounting for around 90 % of total assets.

We compare the results obtained for different samples of European Union countries: all European Union members (EU-27), the "old" members (EU-15) and those that joined the Union during the last decade (EU-12) for the time period 1994–2008 and for the years after the introduction of the single currency (2000–2008).

For all panels, our estimations point to the dominance of the borrowed funds to explain the evolution of the total cost and the relatively low weight of the other two inputs (physical capital and labour), which reveal a mixed and unclear influence on the cost. This confirms the intermediation approach and the very specific characteristics of the banks' production process, since it depends much more on the borrowed funds than on the traditional production factors.

On the other hand, with regard to the influence of the considered outputs in the total cost, the validation of the intermediation approach is reinforced as total cost clearly always grows in line with the provided total loans.

Furthermore, the empirical results point to the existence of statistically relevant technical inefficiencies, although these have tended to decrease during the last decade but with no remarkable changes in the countries' ranking positions.

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BOARD OF DIRECTORS AND PERFORMANCE IN ITALIAN BANKING GROUPS

Corporate governance represents a central issue for the modern banking industry. The importance of such matter depends surely on the complexity and diversity of the banking activity compared to the one of the non-financial industry and on the role banks play in the financial markets and in the economy. We mainly refer to the credit intermediation activity, to the particular budgetary structure and, more in general, to the sound and prudent management as a condition to defend all the stakeholders (shareholders, depositors, supervisory authorities, etc.). Corporate governance in banks should help assure an efficient resources allocation and the soundness of the financial system: these are some of the reasons academic studies focus on the banking corporate governance.

Nowadays the debate on the central importance of the corporate governance in banks has further raised, because of the financial crisis, that since 2007 the most part of the financial systems is experiencing. Weak corporate governance mechanisms have in fact concurred to accumulate too high and imprudent level of risk: as a consequence, many problems raised in terms of stability of the single institution and of the whole banking sector. Even if not for all the banks, and not always with the same intensity, some severe corporate governance failures and laps exist. It depends also on the connection between corporate governance on one hand and risk management and risk control on the other. Good corporate governance practices could indeed be considered as a complement to risk management and to the control processes, particularly in absence of quantitative approaches of risk measurement. In other words, corporate governance, capital adequacy and organizations represent the three pillars for the international financial system soundness.