

**Allied Academies  
International Conference**

**Reno, NV  
October 15-17, 2008**

**Academy of Banking Studies**

**PROCEEDINGS**



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# **CHARACTERISTICS OF THE RECOVERY PROCESS FOR SMALL FINANCIAL INTERMEDIARIES: THE CASE OF ITALIAN COOPERATIVE BANKS**

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## **ABSTRACT**

*Studies available on credit risk modeling for local banks primarily takes into account the probability of default of borrowers (PD) and exposure at default (EAD), while there are very few studies on credit recovery in connection with loss given default (LGD).*

*The characteristics of the customers and the peculiarities of the relationship between customers and local banks make these intermediaries out of the ordinary respect to the overall financial system. These differences could be identified not only in the better customer-monitoring capability, but also in their credit recovery capacity: in fact, due to their close relationship with the local market and the area in which their borrowers work or live, they have higher strength in controlling debtors.*

*This paper takes into account Italian Cooperative Banks, hereinafter BCC, and compares the effectiveness of their credit recovery process and the system-wide average between 2000 and 2006. The data has been collected by banks' financial statements and Bank of Italy data. After highlighting the greater capacity of BCC to implement effective recovery processes, the paper focuses on the link between their characteristics and the LGD, identifying the distinctive profiles of the BCCs capable of implementing more efficient recovery processes.*

# **BANK FRAUD: PERCEPTION OF BANKS IN STATE OF QATAR**

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## **ABSTRACT**

*The objective of this research is to investigate whether the management level are aware of the banking fraud, which department has the fraud occur in banking sector and how much amount they were reported as fraud in banking sector in State of Qatar. Other objective is to evaluate the current internal process that had been followed to detect fraud, reaching to a stage for designing a framework or solution to minimize the fraud in the banking sector in State of Qatar.*

*This study surveyed all management levels in all departments in banks about their knowledge and information they have towards the banking fraud in general and how they were dealing with fraud cases discovered. Also the study focused more deeply on the particular management levels in specific departments such as Auditors, Finance and Risk Management who consider the major areas to protect the banks from fraud occurrence. Surveys were distributed to 16 banks operating in Qatar. Additionally interviews were conducted with the members of the Association of Fraud Examiners to obtain more details in this field.*

*The results of this study demonstrate that all the demographic factors have different impact on the banking fraud, because each category had different point of view of evaluating the causes that affect the fraud and the way the management they will deal with it.*

# **TOTAL QUALITY MANAGEMENT AND THE MALCOLM BALDRIGE AWARD: BENEFITS AND DIRECTIONS FOR BANKING INSTITUTIONS**

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## **ABSTRACT**

*Among the philosophies and initiatives for a renaissance in quality across the business and public sectors, Total Quality Management (TQM) and the Malcolm Baldrige Award for Quality have been outstanding in terms of their design and appeal. The objective of this paper is to discuss the concepts of TQM, the Baldrige Award criteria explicating their applicability and the value of combining the two for the benefit of banks and other financial institutions. We delineate the areas of potential benefit for an institution pursuing TQM and seriously pursuing the Baldrige award, or at least setting into motion a process of change as per the Baldrige guidelines. The benefits to such institutions include economic benefits, improved compliance with legal and ethical guidelines, and improved training and retention of employees and reputational benefits. To demonstrate the value of our thesis, we discuss the case of Los Alamos National Bank, the only bank to have won the Baldrige Award.*