Capital Markets Board of Turkey
in cooperation with
Bilkent University
jointly present
the Financial Seminar Series

April 5th 2011, Ankara

Professor Haluk Ünal,
University of Maryland

Speaking on

'The Cost Effectiveness of the Private-Sector Reorganization of Failed Banks"

Professor Haluk Ünal

Haluk Ünal is a Professor of Finance, at the Robert H. Smith School of Business, University of Maryland, Special Advisor to the Center for Financial Research of the FDIC, and Senior Fellow at the Wharton Financial Institutions Center. He is also the Managing Editor of the Journal of Financial Services Research. Mr. Unal holds doctorates in finance from Ohio State and in economics from Istanbul University, where he did his undergraduate work as well. Mr. Unal also earned a MS degree in accounting from Ohio State. He previously taught at the Ohio State University and The Wharton School of the University of Pennsylvania. He teaches corporate finance, management of financial institutions, and fixed income securities courses.

His current research focuses on executive compensation, corporate bonds, bank mergers, pricing default risk, risk management, and mutual-to-stock conversions in the savings and loan industry. He is published in the Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Financial Services Research, Journal of Money Credit and Banking, Journal of Banking and Finance, Review of Derivatives Research, and Journal of Financial Economics.

Mr. Unal has been a consultant to the World Bank, Federal Deposit Insurance Corporation, and the Department of Justice. He is also on the academic council of Standard and Poor's. Internationally, he delivered invited lectures in Portugal, China, Italy, Mexico, Peru, Poland, Switzerland, and Turkey. He also held executive training for Fannie Mae, Hughes Network Systems, Oracle, SAIC, and Wharton's Executive Masters in Technology Management program.

Abstract

The cost to the FDIC of resolving bank failures differs between two types of resolution methods of failed banks is examined: liquidation and a private-sector reorganization. The findings show that private-sector reorganizations do not deliver the expected cost-savings prior to the passage of FDICIA in 1991, a period of industry distress. This result is obtained when the selection bias that arises from the resolution process is controlled. In contrast, during the post-FDICIA period, private-sector reorganizations yield significant cost savings over FDIC liquidations. The direct costs are lower for private-sector reorganizations over the sample period. When compared to non-financial bankruptcy costs, FDIC resolution methods appear to be less costly than the discussed bankruptcies.

Venue: Capital Markets Board of Turkey
Kare Salon- Makam Katı.

Date: April 5th 2011

Time: 14:00 - 15:00 Seminar
15:00 – 15:30 Questions & Answers Session
15:30 – 16:00 Reception

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The seminar shall be conducted in English.