

---

## Editorial

---

### Enzo Scannella

Department of Economics, Business and Statistics,  
University of Palermo,  
Viale delle Scienze, Building n.13,  
Palermo, 90128, Italy  
Email: enzo.scannella@unipa.it

**Biographical notes:** Enzo Scannella is a MBA, PhD, Associate Professor of Banking and Finance at University of Palermo, Italy. He has been a Visiting Scholar at Harvard Business School, Boston, MA. His research interests are: bank management, bank regulation, risk management, financial innovation, financial instruments. He is a member of various scientific associations, university research groups, editorial boards, and scientific committees for conferences. He teaches Banking, Economics and Management of Financial Institutions, and Risk management.

---

I am deeply honoured to be the Editor-in-Chief of this new *International Journal of Financial Innovation in Banking (IJFIB)*, published by Inderscience. The mission of the IJFIB is to publish theoretical and empirical papers, which further the disciplines of banking, supporting and encouraging research and intellectual debate on financial innovation issues. The IJFIB aims to bring together researchers and practitioners who conduct research on banking, and to discuss the most recent advances in financial innovation theory and practice.

The objectives of the IJFIB are to establish an effective channel of discussion and exchange of ideas between researchers, academics, research institutions and professionals that are involved in doing researches on financial innovation with reference to all types of banks (commercial, investment, mortgage, retail, wholesale and central banks). The IJFIB aims to promote developments in the field of financial innovation, with particular reference to the development of incremental improvements to already existing financial products/services/processes; the creation, diffusion and adoption of radical innovations of products/services and processes in banking. The IJFIB will focus on financial innovation in terms of bank products and services, and bank production processes and organisational forms. This perspective acknowledges the complexity and the importance of innovation in the financial intermediation industry.

Thinking about 'financial innovation' today entails responding properly to the question: what is the right function of 'innovation' in banking? The financial crisis that erupted in the middle of 2007 has caused a severe worldwide financial instability. It has also raised relevant concerns about the desirability of innovation as a 'creative destruction' in the banking industry, in comparison to other industrial sectors where it is generally desirable. The financial crisis revealed fundamental weaknesses and consequent systemic disruptions of some types of financial innovations, along with the vulnerability

of business models and financial practices adopted by banks. Micro-economic features of financial innovation in banking have implications for macro-financial linkages, in the era when there is closer interconnection between banks and financial markets.

The IJFIB aims to encourage and support the advancement and exchange of knowledge and understanding of financial innovation in banking throughout the world. It is an ambitious work of breathtaking scope and depth to offer an important contribution to our understanding of the roots, the diffusion and the economic role of financial innovation in the banking industry. IJFIB provides a valuable scientific publication outlet to discuss the implications of financial innovation in the economics of banking. It provides also a specialised forum for researchers, academics, research institutions and professionals, working in the field of banking and finance, innovation management, technology management, to disseminate ideas, collaborate and cooperate and encourage researches from a financial innovation perspective.

All papers collected in this first issue have been double blind refereed. They have been selected among the papers regularly submitted to the journal. The acceptance rate was 20%, in keeping with the editorial policy of the journal. I believe that the papers in this first issue are of high quality and that they will provoke thought and discussion within the banking community.

The purpose of the IJFIB is to offer different perspectives on financial innovation and to develop analytical frameworks for the analysis of the drivers of sustainability at a firm and industry level. Financial mechanisms, instruments and business models are identified and their interactions are examined and discussed in the papers of this first issue.

It is the mission of the IJFIB to foster a supportive, mentoring effort on the part of the reviewers, which will result in encouraging and supporting authors. Different viewpoints are welcome because differences improve knowledge and understanding. This journal's principal point of distinction is that it provides a uniquely international perspective on innovation in banking. The international dimension is emphasised in order to overcome cultural and national barriers and provide promotion of the discipline.

I congratulate Inderscience Publishers for its continued dedication to the promotion of research in the field of banking. Its commitment is exemplified by this new journal.

I would like to thank all the authors of the papers who committed their valuable time to this new editorial project, all the reviewers for their helpful support, comments and suggestions, and the members of the board, who were successful in developing such publication. Finally, I hope this first issue provides readers with the insight that I gained in editing it.

Information about the IJFIB is published on the website: <http://www.inderscience.com/ijfib>.

Please visit the website and know that I welcome hearing from you at any time.