Editorial

As you have undoubtedly discerned from the festive cover, something must be afoot at the JBF. Of course the silver cover is a dead giveaway. Yes, this is our 25th Anniversary issue. However, for those of you who have not forgotten your primary school arithmetic, let us remind you that this is also our first issue in the 21st century. These are two very good reasons for stocktaking.

The analytical approach to banking and finance to which the Journal is committed is for all practical purposes a product of the second half of the 20th century. This was a period of great intellectual ferment in which many accepted ideas and theories were critically re-examined, refined, extended and, what is far more difficult, on occasion even discarded. A salient feature of these years has been the application of this new approach to financial decision making to a myriad of practical problems, many of which had hitherto escaped rigorous analysis. Even the most cursory examination of the professional literature in finance and banking prior to World War II, can provide an indicator of the magnitude and depth of the change which has taken place.

With respect to the Journal, our task has been made somewhat more complicated as a detailed retrospective evaluation of the Journal’s first twenty years can be found in the September 1997 issue. The electronic version of this issue is free accessible through JBF’s website in ECONbase at:
1. www.elsevier.nl/locate/econbase
2. then click on Journal of Banking and Finance.

We doubt that a repetition would be much appreciated. Moreover, even one score and five is still a relatively short period in which to assess the Journal’s long term impact. From the outset the Journal’s goal has remained the application of the striking advances in the analytical infrastructure of financial economics to applied and policy oriented research in both banking and finance. This fact has been appreciated by our readers as witnessed by the increasing number of corporate subscribers. And we do take justifiable pride in the fact that so many of our authors and associate editors (who incidentally include a couple of past, and perhaps wishfully future, Nobel laureates) have been a driving force in advancing the frontiers of knowledge.

We will make every effort to continue to build on their good work. But please let us know if you feel that we are straying from the “straight and narrow”. Any criticisms and all suggestions will be gratefully received.
In particular, we would appreciate your input regarding our policy of occasionally devoting a complete issue of the Journal to a particular area or problem. Seven such Issues have appeared since our 20th anniversary:

- Vol. 22, no. 10–11: Credit Risk Assessment and Relationship Lending, by Ed Altman, Jan Krahnen and Tony Saunders.

We wish to take this opportunity to thank all of the above guest-editors: Allen Berger and Greg Udell, Rebecca Demsetz, and Philip Strahan, Jan Krahnen, Charles Calomiris, Patricia Jackson and William Perraudin, Niels Hermes and Robert Lensink and Michelle Bagella, who so capably handled these projects. In the pipeline are additional special issues on:

- Measuring and Managing Ethical Risk.
- Financial Structure, Bank Behavior and Monetary Policy in the EMU.

The latter issue will be devoted to four major themes: Risk in the New Global Economy, New Regulatory Horizons, New Market Organization, New Institutions and Markets.

We always like to hear from you so let us know if you think we are on the right track. Thanks for your continuing support.

There remains the very pleasant duty to thank those, whose contribution has been a sine qua non for the Journal’s success. We are blessed with a distinguished panel of Associate Editors and Referees comprised of outstanding scholars and practitioners who are internationally recognized experts in their respective fields. Working in close cooperation with the Editors, and giving freely of their time, they are responsible for ensuring the Journal’s level of excellence and relevance. In a language familiar to our readers, it is their efforts that provide the “due diligence” upon which the success of any professional Journal depends.

E.I. Altman, Marshall Sarnat
Tony Saunders, Giorgio Szegö