2021

28 - 30 OCTOBER
ONLINE

VIETNAM SYMPOSIUM in Banking and Finance

https://vsbf2021.sciencesconf.org

Summary

Welcoming note

We are very pleased to welcome you to the sixth edition of the **Vietnam Symposium in Banking and Finance** (VSBF-2021, 28-30 October 2021), which is jointly organized by the **Association of Vietnamese Scientists and Experts (AVSE Global)**, the **Banking Academy of Vietnam**, and the **International Society for the Advancement of Financial Economics (ISAFE)** in partnership with the **IPAG Business School**.

The Symposium aims at providing academics, doctoral students, and practitioners with a forum for presenting their research findings and discussing current and challenging issues in banking and finance. The research papers that are carefully selected for inclusion in the program are from all areas of finance. The Symposium also serves as an ideal occasion for Vietnamese scholars (local and abroad) to exchange research experiences and develop research projects with their international colleagues.

This year, we have the great privilege to welcome two outstanding Guest Keynote Speakers, **Professor Robert DeYoung from University of Kansas** (United States) and **Professor Haluk Unal from University of Maryland** (United States), together with **Professor Cheng-Few Lee from Rutgers University** (United States) and **Professor Jonathan Batten from RMIT University** (Australia) to join our Meet the Editors session. They are among the world's leading finance experts. We are grateful to them for their presence and kind support.

We also thank all the submitted authors, scientific committee members, attendees, and particularly conference participants who serve as presenters, session chairs, and discussants. Our special thanks go to Professor Samuel Vigne (Co-Editor of *Finance Research Letters*), Professor Maria Giuseppina Bruna (Guest-Editor of *Finance Research Letters*), Dr. Abderrahman Jahmane (Guest-Editor of *Finance Research Letters*), Professor John W. Goodell (Editor-in-Chief of *Research in International Business and Finance*), and Professor Davide La Torre (Guest-Editor of *Research in International Business and Finance*), who have kindly agreed to publish a selection of high-quality papers in their special issues.

Finally, we would like to thank Professor Tin Nghi Bui (President of the Banking Academy of Vietnam) and Professor Thi Kim Hao Do (Vice-President of the Banking Academy of Vietnam), for their outstanding support to make this event a great success. Also, our special thanks go to the members of our organizing committee and supporters for their great contributions to the preparations of this scientific event.

We wish you all an intellectually stimulating and productive conference as well as a chance to meet new colleagues and establish collaborations. We hope that you will have the occasion to exchange ideas and enjoy the virtual environment of the conference!

On behalf of the Organizing and Scientific Committees
The Conference Co-Chairs
Sabri Boubaker, Duc Khuong Nguyen, Hung Xuan Do and Thi Hoang Anh Pham

Conference Scope

The Vietnam Symposium in Banking and Finance (VSBF) is organized annually and aims at providing academics, doctoral students, and practitioners with a forum for presenting their research findings and discussing current and challenging issues in banking and finance. The Symposium is also an ideal occasion for Vietnamese scholars to exchange research experiences and develop research projects with their international colleagues.

The symposium organizers welcome submissions of theoretical and empirical research papers in all areas of banking and finance for presentation. The main topics of the conference include, but not limited to:

- Asset pricing and allocation
- Banking regulation and financial services
- Behavioral finance
- Capital market integration
- Corporate finance, IPOs, SEOs, M&A
- Corporate governance
- Dynamics of international capital markets
- Emerging markets finance
- Entrepreneurial finance
- Finance and sustainability
- Financial econometrics
- Financial engineering and derivatives
- Financial markets, institutions and money
- Financial modeling
- Financial policy and regulation
- Investment funds
- Macro-financial linkages
- Market behavior and efficiency
- Market linkages, financial crises and contagion
- Market microstructure
- Monetary and financial macroeconomics
- Portfolio management and optimization
- Risk management
- AI and Machine Learning in Finance
- New perspective in CSR

Keynote Speakers

Professor Robert DeYoung
Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, United States

Robert (Bob) DeYoung is the Capitol Federal Distinguished Professor in Financial Markets and Institutions and holds the Harold Otto Chair in Economics at the University of Kansas School of Business.

Prior to joining the KU faculty, Professor DeYoung was an Associate Director of Research at the Federal Deposit Insurance Corporation, an Economic Advisor at the Federal Reserve Bank of Chicago, a Senior Economist at the Office of the Comptroller of the Currency, and a Joyce Foundation Teaching Fellow at Beloit College.

Professor DeYoung is co-editor of the *Journal of Money, Credit and Banking*. He has twice testified before the United States Senate on bank regulatory issues. In 2015 he was named a Distinguished Scholar by the French Finance Association for "Outstanding Contributions to the Field of Finance and Banking." He is a past President of the Southern Finance Association and is a past editor of the *Journal of Financial Services Research*. Bob earned a bachelor's degree from Rutgers University-Camden and a doctoral degree in economics from the University of Wisconsin-Madison. He and his wife Julie live on a ranch outside of Baldwin City, Kansas.

Professor Haluk Unal
Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States

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*.

Professor 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*.

Professor 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.

Meet the Editors Session

Professor Jonathan Batten
Professor of Finance, RMIT University, Melbourne, Australia

Jonathan A. Batten is a Professor of Finance at RMIT University Melbourne. Prior to this position he worked as a Professor in Finance at the Hong Kong University of Science & Technology, Monash University and Seoul National University, Korea. He is the managing editor of Elsevier's highly ranked Emerging Markets Review, and Journal of International Financial Markets Institutions and Money, and co-editor of Finance Research Letters. Jonathan's research crosses several disciplines: in the business area he has published in journals used by the Financial Times for ranking business schools (e.g., Journal of Business Ethics, Journal of Financial and Quantitative Analysis and the Journal of International Business Studies).

In addition, he has also published work in leading journals in applied mathematics (e.g., Chaos and Physica A), in environmental studies (Energy Economics, Energy Policy and Resources Policy), and importantly in economic policy (e.g., Applied Economics and the World Bank Research Observer). His current research focus is based on assessing the impact to financial markets of the expected worldwide shift to renewable energy. In addition, he has received several external research grants from the Asian Development Bank, the World Bank, the international payments organisation SWIFT, and the international regulator, the Bank for International Settlements. He is the current President of the Eurasian Business and Economics Society (EBES) and has served on many national external research committees in economics and finance. He is currently an external appointee on the Academic Council of the University of Economics, Ho Chi Minh City, Vietnam.

Professor Cheng-Few Lee

Distinguished Professor, Rutgers University, New Jersey, United States

Professor Lee is the Editor of the Review of Quantitative Finance and Accounting (RQFA), and the Review of Pacific Basin Financial Markets and Policies. He is the Director of the Conference on Financial Economics and Accounting, and the Conference on Pacific Basin Business, Economics and Finance. He has published more than 170 articles in journals including the Journal of Finance, Journal of Financial and Quantitative Analysis, Accounting Review, Journal of Accounting Research, Review of Economics and Statistics, and Management Science. Professor Lee has written six books on corporate finance, portfolio management, business statistics and urban econometrics.

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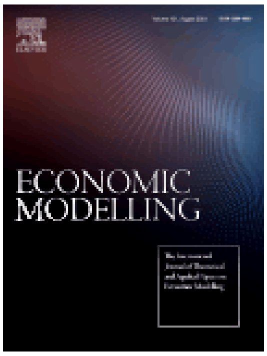
Huy Tung Tran, *Banking Academy, Vietnam*
Bich Ngoc Dao, *Banking Academy, Vietnam*

Associated Journals

Special Issue of **Research in International Business and Finance** on Artificial Intelligence and Machine Learning in Finance under the Guest-Editorship of Prof. Sabri Boubaker, Prof. Duc Khuong Nguyen, and Prof. Davide La Torre. See Call for papers for more details.

Special Issue of **Finance Research Letters** on "New Perspectives on Corporate Social Performance: Firm's Resilience in Crisis Times, Risk Mitigation and Organizational Regulation" under the Guest-Editorship of Prof. Maria Giuseppina Bruna and Dr. Abderrahman Jahmane, and under the Supervision of Prof. Samuel Vigne. See Call for Papers for more details.



Special Issue of **Economic Modelling** on "Sustainable economics and finance: Is the sky bluer than before?" under the Guest-Editorship of Prof. Sabri Boubaker. See Call for Papers for more details.

In consultation with the Editors-in-Chief of **Annals of Operations Research**, **Journal of Forecasting**, **Journal of International Financial Markets, Institutions and Money**, **Journal of Economic Asymmetries**, **Quarterly Journal of Finance and Accounting**, **Review of Corporate Finance**, International Journal of Financial Studies and **Risk Management**, authors of best conference papers will be invited to submit their papers to a regular issue of the Journals.

Edited Book

Interested authors are also invited to submit their papers for publications in a Springer book "*Advances in Banking and Finance*", part of the "Contributions to Management Science" Series (Scopus Indexed) under the editorship of Sabri Boubaker, Duc Khuong Nguyen, Thi Hoang Anh Pham, and Tri Vo.

Program Overview

Thursday, 28 October 2021

08:30 – 09:00	**Welcome and Opening Remarks**	**GREAT HALL ZOOM**
	Thi Kim Hao Do, *Associate Professor of Economics, Vice-President of Banking Academy, Vietnam* **Sabri Boubaker,** *Professor of Finance, EM Normandie Business School, France & President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen,** *Professor of Finance and Deputy Director for Research, IPAG Business School & President of AVSE Global, Conference Co-Chair* **Hung Xuan Do,** *Associate Professor of Finance, Massey University, New Zealand & Director of Finance and Banking Network, AVSE Global, Conference Co-Chair* **Thi Hoang Anh Pham,** *Associate Professor of Economics, Director of Banking Research Institute, Banking Academy of Vietnam & Conference Co-Chair*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: Some Thoughts about Bank Liquidity**	**GREAT HALL ZOOM**
	**Professor Robert DeYoung**, *Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, United States*	

10:00 – 10:30	**Break**	**Break ZOOM**

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:00	**A2.1: Banking Regulation and Financial Services I**	ZOOM A2.1
	Chair: Lawrence J. White, *New York University, United States*	
10:30 – 12:00	**A2.2: Finance and Sustainability I**	ZOOM A2.2
	Chair: Jeff Gramlich, *Washington State University, United States*	
10:30 – 12:00	**A2.3: Behavioral Finance I**	ZOOM A2.3
	Chair: Saptarshi Mukherjee, *Northeastern University, United States*	
10:30 – 12:00	**A2.4: Corporate Finance I**	ZOOM A2.4
	Chair: Wenqiao Zhang, *Liaoning University, China*	
12:00 – 13:00	**Break**	**Break ZOOM**

13:00 – 14:30 Afternoon Parallel Sessions (B1)

13:00 – 14:30	**B1.1: Corporate Finance II**	ZOOM B1.1

	Chair: **Sayla Siddiqui**, *Australian National University, Australia*	
13:00 – 14:30	**B1.2: Applications of Machine Learning**	ZOOM B1.2
	Chair: **Julien Chevallier**, *IPAG Business School, France*	
13:00 – 14:30	**B1.3: Banking Regulation and Financial Services II**	ZOOM B1.3
	Chair: **Giacomo Nocera**, *Audencia, France*	
13:00 – 14:30	**B1.4: Finance and Sustainability II**	ZOOM B1.4
	Chair: **Thi Hong Van Hoang**, *Montpellier Business School, France*	
14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 16:30	**B2.1: Environmental, Social, and Governance**	ZOOM B2.1
	Chair: **Di Luo**, *University of Southampton, United Kingdom*	
15:00 – 16:30	**B2.2: Financial Markets, Institutions & Money I**	ZOOM B2.2
	Chair: **Galkiewicz Dominika**, *University of Applied Sciences Kufstein, Austria*	
15:00 – 16:30	**B2.3: Corporate Finance III**	ZOOM B2.3
	Chair: **Truc (Peter) Do**, *University of Queensland, Australia*	
15:00 – 16:30	**B2.4: Monetary and Financial Economics I**	ZOOM B2.4
	Chair: **Karol Rogowicz** *(SGH Warsaw School of Economics, Poland)*	
16:30 – 18:30	**Break**	**No ZOOM**

18:30 – 20:00 Evening Parallel Sessions (C1)

18:30 – 20:00	**C1.1: Banking Regulation and Financial Services III**	ZOOM C1.1
	Chair: **Van Son Lai**, *Université Laval, Canada*	
18:30 – 20:30	**C1.2: Behavioral Finance II**	ZOOM C1.2
	Chair: **Nikolas Topaloglou**, *IPAG Business School, France & Athens University of Economics and Business, Greece*	
18:30 – 20:00	**C1.3: Corporate Finance IV**	ZOOM C1.3
	Chair: **Lawrence Kryzanowski**, *Concordia University, Canada*	
18:30 – 20:00	**C1.4: Investment Funds I**	ZOOM C1.4
	Chair: **Cesario Mateus**, *Aalborg University, Denmark*	
20:00 – 20:30	**Break**	**Break ZOOM**

20:30 – 22:00 Evening Parallel Sessions (C2)

20:30 – 22:00	**C2.1: Corporate Finance V**	ZOOM C2.1
	Chair: **Sascha Kolaric**, *Technical University of Darmstadt, Germany*	

20:30 – 22:00	**C2.2: Financial Markets, Institutions & Money II**	ZOOM C2.2
	Chair: **Ajay Subramanian**, *Georgia State University, United States*	

20:30 – 22:00	**C2.3: Behavioral Finance III**	ZOOM C2.3
	Chair: **Taylan Mavruk**, *University of Gothenburg, Sweden*	

20:30 – 22:30	**C2.4: Emerging Markets Finance I**	ZOOM C2.4
	Chair: **Arjan Kadareja**, *University of New York Tirana, Albania*	

END OF THURSDAY SESSIONS

Friday, 29 October 2021

09:00 – 10:00 Meet the Editors Session (A1)

9:00 – 10:00	**Topic: Meet the Editors Session**	**GREAT HALL ZOOM**

Jonathan Batten
Professor of Finance, RMIT University, Melbourne, Australia & Editor of [Journal of International Financial Markets, Institutions & Money]

Robert DeYoung
Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, USA & co-edito of the [Journal of Money, Credit and Banking]

Cheng-Few Lee
Distinguished Professor, Rutgers University, New Jersey & Editor of [Review of Quantitative Finance and Accounting]

Haluk Unal
Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States & Managing Editor of the [Journal of Financial Services Research]

10:00 – 10:30	**Break**	**Break ZOOM**

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:00	**A2.1: Corporate Finance VI**	ZOOM A2.1
	Chair: **Hua-Hsin Tsai**, *Heidelberg University, United States*	
10:30 – 12:30	**A2.2: Financial Modelling**	ZOOM A2.2
	Chair: **Peter Lerner**, *Anglo-American University, Czech Republic*	
10:30 – 12:00	**A2.3: Risk Management**	ZOOM A2.3
	Chair: **M. Kabir Hassan**, *University of New Orleans, United States*	
10:30 – 12:00	**A2.4: Macro-Financial Linkages**	ZOOM A2.4
	Chair: **Ngoc Thang Doan**, *Banking Academy, Vietnam*	
12:00 – 13:00	**Break**	**Break ZOOM**

13:00 – 14:30 Afternoon Parallel Sessions (B1)

13:00 – 14:30	**B1.1: Dynamic of International Capital Markets I**	ZOOM B1.1
	Chair: **Maria Jahromi**, *Australian National University, Australia*	

13:00 – 14:30	**B1.2: Banking Regulation and Financial Services IV**	ZOOM B1.2
	Chair: **Kent Matthews**, *Cardiff University, UK*	

13:00 – 14:30	**B1.3: Behavioral Finance IV**	ZOOM B1.3
	Chair: **Christa Hainz**, *ifo Institute, CESifo Munich, Germany*	

13:00 – 14:30	**B1.4: Corporate Finance VII**	ZOOM B1.4
	Chair: **Mattheo Kaufmann**, *Technical University of Darmstadt, Germany*	

14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 16:30	**B2.1: Credit Risk Modelling I**	ZOOM B2.1
	Chair: **Masayasu Kanno**, *Nihon University, Japan*	

15:00 – 16:30	**B2.2: Banking Regulation and Financial Services V**	ZOOM B2.2
	Chair: **Anastasia Sotiropoulou**, *The University of Orleans, France*	

15:00 – 17:00	**B2.3: Emerging Markets Finance II**	ZOOM B2.3
	Chair: **Xiaohong Huang**, *University of Twente, Netherlands*	

15:00 – 17:00	**B2.4: Corporate Finance VIII**	ZOOM B2.4
	Chair: **Nghia Huu Nguyen**, *National Central University, Taiwan*	

16:30 – 19:00	**Break**	**No ZOOM**

19:00 – 20:00 Keynote Address (C1)

19:00 – 20:00	**Topic: Banks' Nonbank Affiliates**	**GREAT HALL ZOOM**
	**Professor Haluk Unal**, *Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States*	

20:00 – 20:30	**Break**	**Break ZOOM**

20:30 – 22:00 Evening Parallel Sessions (C2)

20:30 – 22:00	**C2.1: Banking Regulation and Financial Services VI**	ZOOM C2.1
	Chair: **Yong Kyu Gam**, *University College Dublin, Ireland*	

20:30 – 22:00	**C2.2: Investment Funds II**	ZOOM C2.2
	Chair: **Thanh Dat Le**, *Auburn University, United States*	

20:30 – 22:00	**C2.3: Behavioral Finance V**	ZOOM C2.3
	Chair: **Mateusz Czerwinski**, *Uniwersytet Szczeciński, Poland*	

20:30 – 22:00	**C2.4: Credit Risk Modelling II**	ZOOM C2.4
	Chair: **Maria Victoria Landaberry**, *Banco Central del Uruguay, Uruguay*	

END OF FRIDAY SESSIONS

Saturday, 30 October 2021

08:30 – 10:00 Morning Parallel Sessions (A1)

08:30 – 10:00	**A1.1: Banking Regulation and Financial Services VII**	ZOOM A1.1
	Chair: **Ngan Nguyen**, *University of the District of Columbia, United States*	
08:30 – 10:00	**A1.2: Asset Pricing and Allocation**	ZOOM A1.2
	Chair: **Rangga Handika**, *Institute for International Strategy, Tokyo International University, Japan*	
08:30 – 10:30	**A1.3: Corporate Finance IX**	ZOOM A1.3
	Chair: **Linh Thompson**, *University of Texas at El Paso, United States*	
08:30 – 10:00	**A1.4: Corporate Social Responsibility**	ZOOM A1.4
	Chair: **Richard Gregory**, *East Tennessee State University, United States*	
10:00 – 10:30	**Break**	**Break ZOOM**

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:30	**A2.1: Corporate Finance X**	ZOOM A2.1
	Chair: **Thanh Ngo**, *Massey University, New Zealand*	
10:30 – 12:00	**A2.2: Monetary and Financial Economics II**	ZOOM A2.2
	Chair: **Truong Hong Trinh**, *University of Danang, Vietnam*	
10:30 – 12:00	**A2.3: Finance and Sustainability III**	ZOOM A2.3
	Chair: **Chi-Chur Chao**, *Feng Chia University, Taiwan*	
10:30 – 12:00	**A2.4: Financial Markets, Institutions & Money III**	ZOOM A2.4
	Chair: **Cong Tam Trinh**, *International University, Vietnam National University - Ho Chi Minh City, Vietnam*	
12:00 – 13:00	**Break**	**Break ZOOM**

13:00 – 14:30 Afternoon Parallel Sessions (B1)

13:00 – 15:00	**B1.1: Cryptocurrencies**	ZOOM B1.1
	Chair: **Bo Sang**, *Singapore Management University, Singapore*	
13:00 – 14:30	**B1.2: Banking Regulation and Financial Services VIII**	ZOOM B1.2
	Chair: **Murat Tinic**, *Kadir Has University, Turkey*	
13:00 – 14:30	**B1.3: Dynamic of International Capital Markets II**	ZOOM B1.3
	Chair: **Philippe Gillet**, *University of Paris-Saclay, France*	
13:00 – 15:00	**B1.4: Corporate Finance XI**	ZOOM B1.4
	Chair: **Wouter Torsin**, *University of Liège, Belgium*	

14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 17:00	**B2.1: Banking Regulation and Financial Services IX**	ZOOM B2.1
	Chair: Jamel Saadaoui, *University of Strasbourg, France*	

15:00 – 16:30	**B2.2: Behavioral Finance VI**	ZOOM B2.2
	Chair: Nhung Nguyen, *University of Economics and Business, Vietnam*	

15:00 – 16:30	**B2.3: Corporate Finance XII**	ZOOM B2.3
	Chair: Bechir Ben Lahouel, *IPAG Business School, France*	

15:00 – 17:00	**B2.4: Financial Markets, Institutions & Money IV**	ZOOM B2.4
	Chair: Elmas Yaldız Hanedar, *Sakarya University of Applied Sciences, Turkey*	

END OF CONFERENCE

Program in Detail

Thursday, 28 October 2021

08:30 – 09:00	**Welcome and Opening Remarks**	**GREAT HAll ZOOM**
	Thi Kim Hao Do, *Associate Professor of Economics, Vice-President of Banking Academy, Vietnam* **Sabri Boubaker,** *Professor of Finance, EM Normandie Business School, France & President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen,** *Professor of Finance and Deputy Director for Research, IPAG Business School & President of AVSE Global, Conference Co-Chair* **Hung Xuan Do**, *Associate Professor of Finance, Massey University, New Zealand & Director of Finance and Banking Network, AVSE Global, Conference Co-Chair* **Thi Hoang Anh Pham,** *Director of Banking Research Institute, Banking Academy of Vietnam & Conference Co-Chair*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: Some Thoughts about Bank Liquidity**	**GREAT HALL ZOOM**
	**Professor Robert DeYoung**, *Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, USA*	

10:00 – 10:30	**Break**	**Break ZOOM**

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:00	**A2.1: Banking Regulation and Financial Services I**	ZOOM A2.1
	Chair: Lawrence J. White, *New York University, United States*	Discussant
	Securities Portfolio Management in the Banking Sector **Xun Zhong** (*Fordham University, US*), Samuel Rosen (*Temple University, US*)	**Lawrence J. White** (*New York University, US*)
	Capital Requirements and Bank Risk-Taking under Imperfect Supervision **Ruoning Han** (*Tulane University, US*), Ahadul Kabir Muyeed (*Tulane University, US*).	**Xun Zhong** (*Fordham University, US*)
	The Sale of Failed Banks: The Characteristics of Acquirers – as Well as of the Acquired – Matter Pejman Abedifar (*Khatam University, Iran & University of St Andrews, UK*), Amine Tarazi (*Université de Limoges, France & Institut Universitaire de France, France*), **Lawrence J. White** (*New York University, US*)	**Ruoning Han** (*Tulane University, US*)

10:30 – 12:00	**A2.2: Finance and Sustainability I**	ZOOM A2.2
	Chair: Jeff Gramlich, *Washington State University, United States*	Discussant

	The Impact of CEO Dismissal on Firm Distress under High ESG Reputational Risk **Daewoung Choi** *(Louisiana State University, Shreveport, US)*, Yong Kyu Gam *(University College Dublin, Ireland)*, Minjung Kang *(University of Michigan, Flint, US)*, Hojong Shin *(California State University, Long Beach, US)*	**Jeff Gramlich** *(Washington State University, US)*
	Limits to Private Climate Change Mitigation Dalya Elmalt *(University of Wisconsin, US)*, Deniz Igan *(International Monetary Fund)*, **Divya Kirti** *(International Monetary Fund)*	**Daewoung Choi** *(Louisiana State University, Shreveport, US)*
	Is it costly to reduce pollution in response to non-prescriptive regulation? Evidence from China's CSR reporting mandate **Jeff Gramlich** *(Washington State University, US)*, Li Huang *(Louisiana State University Shreveport, US)*	**Divya Kirti** *(International Monetary Fund)*

10:30 – 12:00	**A2.3: Behavioral Finance I**	ZOOM A2.3
	Chair: Saptarshi Mukherjee, *Northeastern University, United States*	Discussant
	Sentiment and Style: Evidence from Republican Managers **Serkan Karadas** (*University of Illinois Springfield, US*), Jorida Papakroni (*Franklin & Marshall College, US*)	**Saptarshi Mukherjee** (*Northeastern University, US*)
	Insurance Coverage and Bank risk **Chia-Chun Chiang** (*University of Texas at El Paso, US*)	**Serkan Karadas** (*University of Illinois Springfield, US*)
	Managerial Incentives and Precautionary Fire Sales Abhishek Bhardwaj (*New York University, US*), Kose John (*New York University, US*), **Saptarshi Mukherjee** (*Northeastern University, US*)	**Chia-Chun Chiang** (*University of Texas at El Paso, US*)

10:30 – 12:00	**A2.4: Corporate Finance I**	ZOOM A2.4
	Chair: Wenqiao Zhang, *Liaoning University, China*	Discussant
	The Downstream Channel of Financial Constraints and the Amplification of Aggregate Downturns Gustavo S. Cortes (*University of Florida, US*), **Sergio Rocha** (*University of Illinois, US*)	**Wenqiao Zhang** (*Liaoning University, China*)
	Aggressive CEOs and Bank Mergers and Acquisitions **Mingming Ji** (*Hong Kong Polytechnic University, Hong Kong*), Liangliang Jiang (*Hong Kong Polytechnic University, Hong Kong*)	**Sergio Rocha** (*University of Illinois, US*)
	Internal Corporate Communication: Age Disparity between CEOs and CFOs Daewoung Choi (*Louisiana State University in Shreveport, US*), M. Tony Via (*Kent State university, US*). Weiwei Zhang (*James Madison University, US*), **Wenqiao Zhang** (*Liaoning University, China*)	**Mingming Ji** (*Hong Kong Polytechnic University, Hong Kong*)

12:00 – 13:00	**Break**	**Break ZOOM**

13:00 – 14:30 Afternoon Parallel Sessions (B1)

13:00 – 14:30	**B1.1: Corporate Finance II**	ZOOM B1.1
	Chair: Sayla Siddiqui, *Australian National University, Australia*	Discussant
	Innovation, Annual Report Readability and Earnings Management	**Sayla Siddiqui** (*Australian National University, Australia*)

	Dimitrios Gounopoulos (*University of Bath, UK*), Winifred Huang (*University of Bath, UK*), **Min Yang** (*University of Bath, UK*)	
	Merger-driven listing dynamics B. Espen Eckbo (*Tuck School of Business at Dartmouth, US*), **Markus Lithell** (*Norwegian School of Economics, Norway*)	**Min Yang** (*University of Bath, UK*)
	Do patent-trolls cause the high-tech firms to delist? **Sayla Siddiqui** (*Australian National University, Australia*)	**Markus Lithell** (*Norwegian School of Economics, Norway*)

13:00 – 14:30	**B1.2: Applications of Machine Learning**	ZOOM B1.2
	Chair: Julien Chevallier, *IPAG Business School, France*	Discussant
	Machine learning for U.S cross-industry return predictability under uncertainty Haithem Awijen (*University of Sfax, Tunisia & IPAG Business School, France*), **Younes Ben Zaied** (*EDC Paris Business School, France*), Bechir Ben Lahouel (*IPAG Business School, France*), Foued Khlifi (*ISGG, Tunisia*)	**Julien Chevallier** (*IPAG Business School, France*)
	Business Model Contributions to Bank Profit Performance: A Machine Learning Approach Fernando Bolívar (*BBVA Research, Spain*), **Miguel A. Duran** (*University of Malaga, Spain*), Ana Lozano-Vivas (*University of Malaga, Spain*)	**Younes Ben Zaied** (*EDC Paris Business School, France*)
	Assessing the pitfalls of machine learning: An application to Bitcoin price predictions **Julien Chevallier** (*IPAG Business School, France*), Dominique Guégan (*Université Paris 1 Panthéon-Sorbonne, France*), Stéphane Goutte (*CEMOTEV, UVSQ, Paris-Saclay & Paris School of Business, France*)	**Miguel A. Duran** (*University of Malaga, Spain*)

13:00 – 14:30	**B1.3: Banking Regulation and Financial Service II**	ZOOM B1.3
	Chair: Giacomo Nocera, *Audencia, France*	Discussant
	Cross-Client Lending: the Information Content from Supply Chain and Employment Bank Relationships **Theo Cotrim Martins** (*Fundação Getúlio Vargas & Banco Central do Brasil, Brazil*), Rafael Schiozer (*Fundação Getúlio Vargas, Brazil*), Fernando Linardi (*Banco Central do Brasil, Brazil*)	**Giacomo Nocera** (*Audencia, France*)
	Net stable funding ratio and cooperative banks' stability: evidence from Europe Erika Bragaglia (*University of Rome "Tor Vergata", Italy*), **Domenico Curcio** (*University of Naples "Federico II", Italy*), Igor Gianfrancesco (*LUISS University, Italy*), Michele Modina (*University of Molise, Italy*)	**Theo Cotrim Martins** (*Fundação Getúlio Vargas & Banco Central do Brasil, Brazil*)
	Internal Ratings, Non-Performing Loans, and Bank Opacity: Evidence from Analysts' Forecasts Brunella Bruno (*Bocconi University, Italy*), Immacolata Marino (*University of Naples Federico II, Italy*), **Giacomo Nocera** (*Audencia, France*)	**Domenico Curcio** (*University of Naples "Federico II", Italy*)

13:00 – 14:30	**B1.4: Finance and Sustainability II**	ZOOM B1.4
	Chair: Thi Hong Van Hoang, *Montpellier Business School, France*	Discussant

	Does green investment matter for financial performance? An instrumental variable quantile regression approach **Béchir Ben Lahouel** *(IPAG Business School, Paris, France)*, Younes Ben Zaied *(EDC Business School, France)*, Lotfi Taleb *(University of Tunis, Tunisia)*	**Thi Hong Van Hoang** *(Montpellier Business School, France)*
	Fintech and Financial Literacy in Viet Nam **Peter J. Morgan** *(Asian Development Bank Institute, Japan)*, Long Q. Trinh *(Asian Development Bank Institute, Japan)*	**Béchir Ben Lahouel** *(IPAG Business School, Paris, France)*
	ESG performance and Covid-19 pandemic: An empirical analysis of European listed firms **Thi Hong Van Hoang** *(Montpellier Business School, France)*, Lahiani Amine *(Orleans Economics Laboratory, France)*	**Peter J. Morgan** *(Asian Development Bank Institute, Japan)*

14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 16:30	**B2.1: Environmental, Social, and Governance**	ZOOM B2.1
	Chair: **Di Luo**, *University of Southampton, United Kingdom*	Discussant
	Financing Sustainable Entrepreneurship: ESG Measurement, Valuation, and Performance in Token Offerings **Sasan Mansouri** *(Goethe-University Frankfurt, Germany)*, Paul P. Momtaz *(UCLA Anderson School of Management, US & Goethe-University Frankfurt, Germany)*	**Di Luo** (*University of Southampton, UK*)
	Does media coverage of firms' environment, social, and governance (ESG) incidents affect analyst coverage and forecasts? **ZhichaoLi** (*Durham University, UK*), Guanming He (*Durham University, UK*)	**Sasan Mansouri** *(Goethe-University Frankfurt, Germany)*
	ESG, Liquidity, and Stock Returns **Di Luo** (*University of Southampton, UK*)	**ZhichaoLi** (*Durham University, UK*)

15:00 – 16:30	**B2.2: Financial Markets, Institutions & Money I**	ZOOM B2.2
	Chair: **Galkiewicz Dominika**, *University of Applied Sciences Kufstein, Austria*	Discussant
	Politically Motivated Credit Ratings **Quan M.P. Nguyen** (*Massey University, New Zealand*), Hung Do (*Massey University, New Zealand*), Alexander Molchanov (*Massey University, New Zealand*), Lily Nguyen (*University of Queensland, Australia*), Nhut H. Nguyen (*Auckland University of Technology, New Zealand*)	**Galkiewicz Dominika** *(University of Applied Sciences Kufstein, Austria)*
	How is trust related to relationship lending? A case of Vietnam **Ly Hoang Vu** (*University of Lille, France*)	**Quan M.P. Nguyen** (*Massey University, New Zealand*)
	Manager Characteristics and Credit Derivative Use by U.S. Corporate Bond Funds **Galkiewicz Dominika** (*University of Applied Sciences Kufstein, Austria*), Ma Li (*Humboldt University, Germany*)	**Ly Hoang Vu** (*University of Lille, France*)

15:00 – 16:30	**B2.3: Corporate Finance III**	ZOOM B2.3
	Chair: **Truc (Peter) Do**, *University of Queensland, Australia*	Discussant
	The impact of workforce health on earnings quality **Truc (Peter) Do** (*University of Queensland, Australia*)	**Yanhui Wu** (*Queensland University of Technology, Australia*)

	Geopolitical Uncertainty Stifles Innovation and Growth Ruchith Dissanayake (*Queensland University of Technology, Australia*), **Yanhui Wu** (*Queensland University of Technology, Australia*)	**Sheikh Tanzila Deepty** (*University of Strathclyde, UK*)
	Social Capital and Risk-Shifting Incentives Dimitris Andriosopoulos (*University of Strathclyde, UK*), **Sheikh Tanzila Deepty** (*University of Strathclyde, UK*)	**Truc (Peter) Do** (*University of Queensland, Australia*)

15:00 – 16:30	**B2.4: Monetary and Financial Economics I**	ZOOM B2.4
	Chair: Karol Rogowicz *(SGH Warsaw School of Economics, Poland)*	Discussant
	Are Government Bond Yields Bounded or Quasi-Bounded at the Zero? – Credibility of Central Banks' Commitments Cho-Hoi Hui (*Hong Kong Monetary Authority, Hong Kong*), Chi-Fai Lo (*The Chinese University of Hong Kong, Hong Kong*), **Ho-Yan Ip** (*The Chinese University of Hong Kong, Hong Kong*)	**Javed Bin Kamal** (*East West University, Bangladesh*)
	Does the choice of monetary policy tool matter for systemic risk? A curious case of negative interest rates Iwanicz-Drozdowska Malgorzata *(SGH Warsaw School of Economics, Poland)*, **Karol Rogowicz** *(SGH Warsaw School of Economics, Poland)*	**Ho-Yan Ip** (*The Chinese University of Hong Kong, Hong Kong*)
	The effects of global economic uncertainty shocks: International evidence **Javed Bin Kamal** (*East West University, Bangladesh*), Hossain Akhand *(University of Newcastle, Australia)*, Omar Farooque *(University of New England, Australia)*	**Karol Rogowicz** *(SGH Warsaw School of Economics, Poland)*

16:30 – 18:30	**Break**	**No ZOOM**

18:30 – 20:00 Evening Parallel Sessions (C1)

18:30 – 20:00	**C1.1: Banking Regulation and Financial Services III**	ZOOM C1.1
	Chair: Van Son Lai, *Université Laval, Canada*	Discussant
	Deposit Competition and the Securitization Boom **Huyen Nguyen** (*Halle Institute for Economic Research, Germany*), Danny McGowan (*University of Birmingham, UK*)	**Van Son Lai** (*Université Laval, Canada*)
	Lead Arrangers in Syndicated Loans Aurore Burietz (*IESEG School of Management, France*), **Paolo Mazza** (*IESEG School of Management, France*)	**Huyen Nguyen** (*Halle Institute for Economic Research, Germany*)
	Risk-based capital and leverage ratios adjustments by banks: Experience from Canada and the U.S. Hélyoth Hessoua (*Université de Sherbrooke, Quebec, Canada*), **Van Son Lai** (*Université Laval, Canada*)	**Paolo Mazza** (*IESEG School of Management, France*)

18:30 – 20:30	**C1.2: Behavioral Finance II**	ZOOM C1.2
	Chair: Nikolas Topaloglou, *IPAG Business School, France & Athens University of Economics and Business, Greece*	Discussant
	Containment measures and spillover effects in COVID times: A global study on business confidence **Paula Margaretic** (*University of San Andrés, Argentina*), Diego Finchelstein (*University of San Andrés, Argentina*), Agustin Sotelo (*University of San Andrés, Argentina*)	**Liang Ma** (*University of South Carolina, US*)

	Global Momentum: The Optimal Trading Approach **Alain Wouassom** (*Coventry University, UK*), Gulnur Muradoglu (*Queen Mary University of London, UK*), Nicholas Tsitsianis (*Queen Mary University of London, UK*)	**Paula Margaretic** (*University of San Andrés, Argentina*)
	What Drives Closed-End Fund Discounts? Evidence from COVID-19 **Liang Ma** (*University of South Carolina, US*)	**Nikolas Topaloglou** (*IPAG Business School, France & Athens University of Economics and Business, Greece*)
	Investors' Behavior in Cryptocurrency Market **Nikolas Topaloglou** (*IPAG Business School, France & Athens University of Economics and Business, Greece*), Georgios Tsomidis (*Athens University of Economics and Business, Greece*)	**Alain Wouassom** (*Coventry University, UK*)

18:30 – 20:00	**C1.3: Corporate Finance IV**	ZOOM C1.3
	Chair: Lawrence Kryzanowski, *Concordia University, Canada*	Discussant
	Inside the Boardroom: Evidence from the Board Structure and Meeting Minutes of Community Banks Rosalind L. Bennett (*FDIC, US*), Manju Puri (*Duke University, NBER, US*), **Paul E. Soto** (*FDIC, US*)	**Lawrence Kryzanowski** (*Concordia University, Canada*)
	Credit Market Conditions and the Design of Corporate Bonds Douglas O. Cook (*University of Alabama, US*), **Robert Kieschnick** (*University of Texas at Dallas, US*), Rabih Moussawi (*Villanova University, US*)	**Paul E. Soto** (*FDIC, US*)
	Share Pledging and Corporate Securities Fraud **Lawrence Kryzanowski** (*Concordia University, Canada*), Mingyang Li (*Zhongnan University of Economics and Law, China*), Sheng Xu (*Zhongnan University of Economics and Law, China*), Jie Zhang (*Trent University, Canada*)	**Robert Kieschnick** (*University of Texas at Dallas, US*)

18:30 – 20:00	**C1.4: Investment Funds I**	ZOOM C1.4
	Chair: Cesario Mateus, *Aalborg University, Denmark*	Discussant
	Leveraged ETFs: The Truth of Amplified Return **Karen Wong** (*The Open University of Hong Kong, Hong Kong*), Tao Chen (*University of Macau, China*), Masayuki Susai (*Nagasaki University, Japan*)	**Cesario Mateus** (*Aalborg University, Denmark*)
	Effect of Financial and Institutional Ecosystems on Startup Mergers and Acquisitions **Saurabh Ahluwalia** (*University of New Mexico, US*), Sul Kassicieh (*University of New Mexico, US*)	**Karen Wong** (*The Open University of Hong Kong, Hong Kong*)
	Does Equity Mutual Fund Factor-risk-shifting Pay off? Evidence from the US **Cesario Mateus** (*Aalborg University, Denmark*), Sohan Sarwar (*University of Greenwich, UK*), Natasa Todorovic (*Sir John Cass Business School, UK*)	**Saurabh Ahluwalia** (*University of New Mexico, US*)

20:00 – 20:30	**Break**	**Break ZOOM**

20:30 – 22:00 Evening Parallel Sessions (C2)

20:30 – 22:00	**C2.1: Corporate Finance V**	ZOOM C2.1
	Chair: Sascha Kolaric, *Technical University of Darmstadt, Germany*	Discussant

	The Mitigation of Reputational Risk via Responsive CSR: Evidence from Securities Class Action Lawsuits Daewoung Choi (*Louisiana State University at Shreveport, US*), **M. Tony Via** (*Kent State University, US*), Douglas O. Cook (*University of Alabama, US*), Weiwei Zhang (*James Madison University, US*)	**Sascha Kolaric** (*Technical University of Darmstadt, Germany*)
	Time-Series Factor Modeling and Selection **Michael Michaelides** (*Allegheny College, US*)	**M. Tony Via** (*Kent State University, US*)
	Wealth creation through market concentration in the Asia-Pacific banking sector **Sascha Kolaric** (*Technical University of Darmstadt, Germany*), Florian Kiesel (*Grenoble Ecole de Management, France*), Dirk Schiereck (*Technical University of Darmstadt, Germany*)	**Michael Michaelides** (*Allegheny College, US*)

20:30 – 22:00	**C2.2: Financial Markets, Institutions & Money II**	ZOOM C2.2
	Chair: Ajay Subramanian, *Georgia State University, United States*	Discussant
	Bank Risk in Uncertain Times: Do Credit Rationing and Revenue Diversification Matter? Ashton de Silva (*RMIT University, Australia*), Huu Nhan Duong (*Monash University, Australia*), My Nguyen (*RMIT University, Australia*), **Yen Ngoc Nguyen** (*St. Francis Xavies University, Canada*)	**Ajay Subramanian** *(Georgia State University, US)*
	How do Insider Trading Incentives Shape Nonfinancial Disclosures? Evidence from Product and Business Expansion Disclosures **Guanming He** (*Durham University, UK*)	**Yen Ngoc Nguyen** (*St. Francis Xavies University, Canada*)
	Credit Risk Sharing and Credit Market Regulation **Ajay Subramanian** *(Georgia State University, US)*	**Guanming He** (*Durham University, UK*)

20:30 – 22:00	**C2.3: Behavioral Finance III**	ZOOM C2.3
	Chair: Taylan Mavruk, *University of Gothenburg, Sweden*	Discussant
	Bad Reputation, not a Bad conscience: Religiosity and the Ethical Behavior of Firms **Saif Ullah** (*Concordia University, Canada*)	**Taylan Mavruk** (*University of Gothenburg, Sweden*)
	Discrimination and Portfolio Decisions of Non-white Americans Alessandro Bucciol (*University of Verona, Italy*), **Dimitra Papadovasilaki** (*Lake Forest College, US*)	**Saif Ullah** (*Concordia University, Canada*)
	Analysis of herding behavior in stock markets using machine learning algorithms **Taylan Mavruk** (*University of Gothenburg, Sweden*)	**Dimitra Papadovasilaki** (*Lake Forest College, US*)

20:30 – 22:30	**C2.4: Emerging Markets Finance I**	ZOOM C2.4
	Chair: Arjan Kadareja, *University of New York Tirana, Albania*	Discussant
	Taming the "capital flows-credit nexus": a sectoral approach Daniel Carvalho *(Bank of Portugal)*, Etienne Lepers *(OECD)*, **Rogelio Mercado** *(Asian Development Bank)*	**Arjan Kadareja** *(University of New York Tirana, Albania)*
	Why do Emerging Market Firms Issue Offshore Dollar Equity Linked Securities? Rama Seth (*Copenhagen Business School, Denmark*), **Keerat Bhurjee** (*Shiv Nadar University, India*), Vishwanath S R (*Shiv Nadar University, India*)	**Aamina Khurram** (*University of Kent, UK*)

	Emerging Countries Sovereign Bond Spreads: Additional Factors Are at Play **Arjan Kadareja** *(University of New York Tirana, Albania)*, Ardita Todri *(Universiteti i Elbasanit, Albania)*	**Rogelio Mercado** *(Asian Development Bank)*
	The systemic risk in the dual financial system geared by competition stability/fragility nexus **Aamina Khurram** (*University of Kent, UK*), Vasileios Pappas (*University of Kent, UK*), Abdullah Iqbal (*University of Kent, UK*)	**Keerat Bhurjee** (*Shiv Nadar University, India*)

END OF THURSDAY SESSIONS

Friday, 29 October 2021

09:00 – 10:00 Meet the Editors Session (A1)

9:00 – 10:00	Topic: Meet the Editors Session	GREAT HALL ZOOM

Jonathan Batten
Professor of Finance, RMIT University, Melbourne, Australia & Editor of [*Journal of International Financial Markets, Institutions & Money*]

Robert DeYoung
Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, USA & co-edito of the [*Journal of Money, Credit and Banking*]

Cheng-Few Lee
Distinguished Professor, Rutgers University, New Jersey & Editor of [*Review of Quantitative Finance and Accounting*]

Haluk Unal
Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States & Managing Editor of the [*Journal of Financial Services Research*]

10:00 – 10:30	Break	Break ZOOM

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:00	**A2.1: Corporate Finance VI**	ZOOM A2.1
	Chair: Hua-Hsin Tsai, *Heidelberg University, United States*	Discussant
	When Independent Directors Talk, Do Shareholders Listen? **Qiuchen Ge** (*Central University of Finance and Economics, China*), Xi Wu (*Central University of Finance and Economics, China*), Jason Xiao (*University of Macau, Macau SAR, China*), Hong Zou (*University of Hong Kong, Hong Kong SAR, China*)	**Hua-Hsin Tsai** (*Heidelberg University, US*)
	What can machine learning teach us about company valuation? **Bao Linh Do** (*University of Technology Sydney, Australia*), Talis Putnins (*University of Technology Sydney, Australia & Stockholm School of Economics, Sweden*)	**Qiuchen Ge** (*Central University of Finance and Economics, China*)
	Institutional Investor Distraction and Innovation Xiaoling Pu (*Kent State University, US*), M. Tony Via (*Kent State University, US*), **Hua-Hsin Tsai** (*Heidelberg University, US*)	**Bao Linh Do** (*University of Technology Sydney, Australia*)

10:30 – 12:30	**A2.2: Financial Modelling**	ZOOM A2.2
	Chair: Peter Lerner, *Anglo-American University, Czech Republic*	Discussant

	Seasonality in Commodity Prices: New Approaches for Pricing Plain Vanilla Options **Carme Frau** (*Complutense University of Madrid, Spain*), Viviana Fanelli (*University of Bari Aldo Moro, Italy*)	**Peter Lerner** (*Anglo-American University, Czech Republic*)
	Volatility forecasting for the coronavirus pandemic using quasi-score-driven models Astrid Ayala (*Francisco Marroquin University, Guatemala*), **Szabolcs Blazsek** (*Francisco Marroquin University, Guatemala*), Adrian Licht (*Francisco Marroquin University, Guatemala*)	**Carme Frau** (*Complutense University of Madrid, Spain*)
	Fourier State-Space Model of Market Liquidity: The Chinese Experience 2009-2010 **Peter Lerner** (*Anglo-American University, Czech Republic*)	**Heni Boubaker** (*IHEC of Sousse & IPAG Business School, France*)
	Forecasting electricity price under seasonal long-run dependence using hybrid models **Heni Boubaker** (*IHEC of Sousse & IPAG Business School, France*), Nawres Bannour (*Université Alexandru Loan Cuza de Lasi, Romania*)	**Szabolcs Blazsek** (*Francisco Marroquin University, Guatemala*)

10:30 – 12:00	**A2.3: Risk Management**	ZOOM A2.3
	Chair: M. Kabir Hassan, *University of New Orleans, United States*	Discussant
	The Impact of Deposit Dollarization on Credit Dollarization: Evidence of Natural Hedging and Excessive Risk-Taking Channels **Jorge Pozo** (*Central Reserve Bank of Peru, Peru*)	**M. Kabir Hassan** (*University of New Orleans, US*)
	Some methods of pair selection in pairs trading Jun Yu (*Henan University of Economics and Law, China*), **Peijun Yao** (*Henan University of Economics and Law, China*), Junjie Wang (*Henan University of Economics and Law, China*)	**Jorge Pozo** (*Central Reserve Bank of Peru, Peru*)
	Nexus between financial hedging, performance, and firm value: Evidence from a sample of non-financial Asia-Pacific firms **M. Kabir Hassan** (*University of New Orleans, US*), Islam Abdeljawad (*An-Najah National University, Palestine*), Mamunur Rashid (*Universiti Brunei Darussalam, Brunei*), Siti Nur Khoirunnisaa (*University of Nottingham Malaysia Campus, Malaysia*)	**Peijun Yao** (*Henan University of Economics and Law, China*)

10:30 – 12:00	**A2.4: Macro-Financial Linkages**	ZOOM A2.4
	Chair: Ngoc Thang Doan, *Banking Academy, Vietnam*	Discussant
	Global Bank Linkages and Foreign Direct Investment **Thang Doan** (*Banking Academy of Vietnam, Vietnam*)	**Abdelkader El Alaoui** (*International University of Rabat, Morocco*)
	Time-Frequency Liquidity Connectedness of Global Stock Markets **Hai Hong Trinh** (*Massey University, New Zealand*), Muhammad Abubakr Naeem (*University College Dublin, Ireland*), Najaf Iqbal (*Anhui University of Finance and Economics, China*), Hung Do (*Massey University, New Zealand*)	**Thang Doan** (*Banking Academy of Vietnam, Vietnam*)
	Do sectoral Diversification Bring any Benefit to Investors during Financial Shocks: Evidence from the Dow Jones Islamic Emerging Equity Markets? **Abdelkader El Alaoui** (*International University of Rabat, Morocco*), Amina Dchieche (*International University of Rabat,*	**Hai Hong Trinh** (*Massey University, New Zealand*)

	Morocco), Btissam Zerhari (*Mohammed V University in Rabat, Morocco*)	
12:00 – 13:00	**Break**	**Break ZOOM**

13:00 – 14:30 Afternoon Parallel Sessions (B1)

13:00 – 14:30	**B1.1: Dynamic of International Capital Markets I**	ZOOM B1.1
	Chair: **Maria Jahromi**, *Australian National University, Australia*	Discussant
	Common Drivers of Commodity Futures **Tom Dudda** *(Technische Universität Dresden, Germany)*, Tony Kleinb *(Queen's University Belfast, United Kingdom)*, Duc K. Nguyen *(IPAG Business School, France & International School, Vietnam National University, Hanoi, Vietnam)*, Thomas Walthera *(Utrecht University, The Netherlands)*	**Maria Jahromi** *(Australian National University, Australia)*
	The tale of two global crises: A time-frequency analysis of the flights-to-quality out of EM bonds to safe-haven US Treasury securities **Mariya Gubareva** *(Polytechnic Institute of Lisbon, Portugal & SOCIUS-CSG, Portugal)*, Umar Zaghum *(Zayed University, United Arab Emirates)*	**Tom Dudda** *(Technische Universität Dresden, Germany)*
	Resilience of Islamic and Conventional Equity Markets in Turbulent Times **Maria Jahromi** *(Australian National University, Australia)*	**Mariya Gubareva** *(Polytechnic Institute of Lisbon, Portugal & SOCIUS-CSG, Portugal)*

13:00 – 14:30	**B1.2: Banking Regulation and Financial Services IV**	ZOOM B1.2
	Chair: **Kent Matthews**, *Cardiff University, UK*	Discussant
	Excess remuneration, governance, and risk-taking in Islamic banks M. Kabir Hassan (*University of New Orleans, US*), **Tastaftiyan Risfandy** (*Universitas Sebelas Maret, Indonesia*)	**Kent Matthews** (*Cardiff University, UK & University of Nottingham Ningbo China*)
	The Impact of a Dual Banking System on Macroeconomic Efficiency **Ahmed Imran Hunjra** (*Ghazi University, Dera Ghazi Khan, Pakistan*), Faridul Islam (*Morgan State University, US*), Peter Verhoeven (*Queensland University of Technology, Australia*), Mohammad Kabir Hassan (*University of New Orleans, US*)	**Tastaftiyan Risfandy** (*Universitas Sebelas Maret, Indonesia*)
	Regulatory arbitrage, shadow banking and monetary policy in China Vo Phuong Mai Le (*Cardiff University, UK*), **Kent Matthews** (*Cardiff University, UK & University of Nottingham Ningbo China*), David Meenagh (*Cardiff University, UK*), Patrick Minford (*Cardiff University, UK*), Zhiguo Xiao (*Fudan University, China*)	**Ahmed Imran Hunjra** (*Ghazi University, Dera Ghazi Khan, Pakistan*)

13:00 – 14:30	**B1.3: Behavioral Finance IV**	ZOOM B1.3
	Chair: **Christa Hainz**, *ifo Institute, CESifo Munich, Germany*	Discussant
	Volume, Disagreement, and Stock Momentum **Jianjian Jin** (*British Columbia Investment Management Corporation, Canada*), Qunzi Zhang (*Shandong University, China*)	**Christa Hainz** (*ifo Institute, CESifo Munich, Germany*)

	Do religious announcements conveyed by Imams affect stock prices in the Saudi Stock Exchange? **Turki Rashed Alshammari** (*Université de Lorraine, France*), Jean-Noël ORY (*Université de Lorraine, France*)	**Jianjian Jin** (*British Columbia Investment Management Corporation, Canada*)
	Contracts, Collateral and Culture: Gender Effects in Bank Lending Alexander Danzer (*KU Eichstätt-Ingolstadt, CESifo Munich, Germany*), **Christa Hainz** (*ifo Institute, CESifo Munich, Germany*), Stefanie Kleimeier (*Maastricht University, Open Universiteit, University of Stellenbosch Business School, Netherlands*), Shusen Qi (*Xiamen University, China*)	**Turki Rashed Alshammari** (*Université de Lorraine, France*)

13:00 – 14:30	**B1.4: Corporate Finance VII**	ZOOM B1.4
	Chair: **Mattheo Kaufmann**, *Technical University of Darmstadt, Germany*	Discussant
	Impact of pension payment distance on managerial conservatism: M&A choices and price effects Lawrence Kryzanowski (*Concordia University, Canada*), **Yulin Nie** (*Hebei University of Engineering, China*)	**Mattheo Kaufmann** (*Technical University of Darmstadt, Germany*)
	Bondholder representatives on bank boards: a mechanism for market discipline Isabelle Distinguin (*Université de Limoges, France*), Laetitia Lepetit (*Université de Limoges, France*), Frank Strobel (*University of Birmingham, UK*), **Phan Huy Hieu Tran** (*Université de Limoges, France*)	**Yulin Nie** (*Hebei University of Engineering, China*)
	The influence of initial investor backing on post-IPO acquisition activity **Mattheo Kaufmann** (*Technical University of Darmstadt, Germany*), Sascha Kolaric (*Technical University of Darmstadt, Germany*), Lennart Walter (*Technical University of Darmstadt, Germany*)	**Phan Huy Hieu Tran** (*Université de Limoges, France*)

14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 16:30	**B2.1: Credit Risk Modelling I**	ZOOM B2.1
	Chair: **Masayasu Kanno**, *Nihon University, Japan*	Discussant
	Credit Risk Modeling in the Age of Machine Learning Martin T. Hibbeln (*University of Duisburg-Essen, Germany*), Raphael M. Kopp (*University of Duisburg-Essen, Germany*), and **Noah Urban** (*University of Duisburg-Essen, Germany*)	**Masayasu Kanno** (*Nihon University, Japan*)
	Predicting Loss Severities for Residential Mortgage Loans: A Decomposition Approach **Justin Rylie Tang** (*Massey University, New Zealand*), David Woods (*Massey University, New Zealand*), David Tripe (*Massey University, New Zealand*), Hung Do (*Massey University, New Zealand*)	**Noah Urban** (*University of Duisburg-Essen, Germany*)
	Sovereign default risk valuation using CDS spreads: Evidence from the COVID-19 crisis **Masayasu Kanno** (*Nihon University, Japan*)	**Justin Rylie Tang** (*Massey University, New Zealand*)

15:00 – 16:30	**B2.2: Banking Regulation and Financial Services V**	ZOOM B2.2
	Chair: **Anastasia Sotiropoulou**, *The University of Orleans, France*	Discussant

	Market Structure, International banking and New Technology: case from the Loan Markets in the EU **Małgorzata Pawłowska** (*Warsaw School of Economics, Poland*), Georgios P. Kouretas (*Athens University of Economics and Business, Greece*)	**Anastasia Sotiropoulou** (*The University of Orleans, France*)
	The effects of employee ownership on bank risk and profitability: Evidence from European Banks Laetitia Lepetit (*Université de Limoges, France*), Phan Huy Hieu Tran (*Université de Limoges, France*), **Thu Ha Tran** (*Université Bourgogne Franche-Comté, France*)	**Małgorzata Pawłowska** (*Warsaw School of Economics, Poland*)
	Does EU Regulation adequately address the tension between CCPs shareholders' and members' incentives? **Anastasia Sotiropoulou** (*The University of Orleans, France*)	**Thu Ha Tran** (*Université Bourgogne Franche-Comté, France*)

15:00 – 17:00	**B2.3: Emerging Markets Finance II**	ZOOM B2.3
	Chair: Xiaohong Huang, *University of Twente, Netherlands*	Discussant
	Absorptive capacities, FDI and economic growth in developing economy: A study in Indian context **Gupta Surbhi** *(Indian Institute of Technology Delhi, India)*, Yadav Surendra *(Indian Institute of Technology Delhi, India)*, Jain Pramod *(Indian Institute of Technology Delhi, India)*	**Maryem Naili** (*ISCAE-Casablanca, Morocco*)
	Analyzing the impact of government's responses to the Covid-19 pandemic on the Vietnamese stock market's performance: A sector-index approach **Thi Bich Ngoc Tran** *(University of Economics, Hue University, Vietnam)*, Hoang Cam Huong Pham *(University of Economics, Hue University, Vietnam)*, Thanh Cong Bui *(University of Economics, Hue University, Vietnam)*	**Xiaohong Huang** *(University of Twente, Netherlands)*
	Do Project and Founder Quality Signals Always Matter? A Comparative Analysis of Equity and Reward Crowdfunding **Xiaohong Huang** *(University of Twente, Netherlands)*, Kabirb Rezaul *(University of Twente, Netherlands)*, Nguyen Ngoc Thuy *(University of Twente, Netherlands)*	**Thi Bich Ngoc Tran** *(University of Economics, Hue University, Vietnam)*
	Bank's Non-Performing Loans, Systematic Determinants and Specific Factors: New Evidence from Emerging Markets **Maryem Naili** (*ISCAE- Casablanca, Morocco*), Younès Lahrichi (*ISCAE-Rabat, Morocco*)	**Gupta Surbhi** *(Indian Institute of Technology Delhi, India)*

15:00 – 17:00	**B2.4: Corporate Finance VIII**	ZOOM B2.4
	Chair: Nghia Huu Nguyen, *National Central University, Taiwan*	Discussant
	Investors' perception of business group membership during an economic crisis: Evidence from the COVID-19 pandemic **Romain Ducret** (*Université de Fribourg, Switzerland*)	**Nghia Huu Nguyen** (*National Central University, Taiwan*)
	Product market competition, corporate governance, and tax avoidance: Evidence from UK listed firms **Modawi Fadoul** (*Swansea University, UK*), Sabri Boubaker (*Swansea University, UK*), Xicheng Liu (*Swansea University, UK*)	**Romain Ducret** (*Université de Fribourg, Switzerland*)
	In-kind financing during a pandemic: Trade credit and COVID-19 **Jagriti Srivastava** (*Indian Institute of Management Kozhikode, India*), Balagopal Gopalakrishnan (*Indian Institute of Management Kozhikode, India*)	**Modawi Fadoul** (*Swansea University, UK*)

	Stewardship, institutional investors monitoring, and firm value: Evidence from the United Kingdom **Nghia Huu Nguyen** (*National Central University, Taiwan*), Cheng Yi Shiu (*National Central University, Taiwan*)	**Jagriti Srivastava** (*Indian Institute of Management Kozhikode, India*)

16:30 – 19:00	**Break**	**No ZOOM**

19:00 – 20:00 Keynote Address (C1)

19:00 – 20:00	**Topic: Banks' Nonbank Affiliates**	**GREAT HALL ZOOM**

Professor Haluk Unal, *Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States*

20:00 – 20:30	**Break**	**Break ZOOM**

20:30 – 22:00 Evening Parallel Sessions (C2)

20:30 – 22:00	**C2.1: Banking Regulation and Financial Services VI**	ZOOM C2.1
	Chair: **Yong Kyu Gam**, *University College Dublin, Ireland*	Discussant
	Taxes Under Stress: Bank Stress Tests and Corporate Tax Avoidance Bill B. Francis (*Rensselaer Polytechnic Institute, US*), Raffi E. Garcia (*Rensselaer Polytechnic Institute, US*), **Jyothsna G. Harithsa** (*Rensselaer Polytechnic Institute, US*)	**Yong Kyu Gam** (*University College Dublin, Ireland*)
	Complexity and the default risk of mortgage-backed securities Monica Billioa (*Ca' Foscari University of Venice, Italy*), Alfonso Dufourb (*University of Reading, UK*), **Samuele Segato** (*University of Reading, UK*), Simone Varottob (*University of Reading, UK*)	**Jyothsna G. Harithsa** (*Rensselaer Polytechnic Institute, US*)
	Environmental Reputation and Bank Liquidity under Climate Change Risk Daewoung Choi (*Louisiana State University, Shreveport, US*), **Yong Kyu Gam** (*University College Dublin, Ireland*), Hojong Shin (*California State University, Long Beach, US*)	**Samuele Segato** (*University of Reading, UK*)

20:30 – 22:00	**C2.2: Investment Funds II**	ZOOM C2.2
	Chair: **Thanh Dat Le**, *Auburn University, United States*	Discussant
	Commonality in mutual fund flows: Worldwide evidence **Anh T. Nguyen** (*University of Texas at Arlington, US*), David Rakowski (*University of Texas at Arlington, US*)	**Thanh Dat Le** (*Auburn University, US*)
	The Investment Style Drift Puzzle and Risk-Taking in Venture Capital **Lukas Koenig** (*University of Hohenheim, Germany*), Hans-Peter Burghof (*University of Hohenheim, Germany*)	**Anh T. Nguyen** (*University of Texas at Arlington, US*)
	Active Mutual Funds: Beware of Smart Beta ETFs! **Thanh Dat Le** (*Auburn University, US*)	**Lukas Koenig** (*University of Hohenheim, Germany*)

20:30 – 22:00	**C2.3: Behavioral Finance V**	ZOOM C2.3
	Chair: **Mateusz Czerwinski**, *Uniwersytet Szczeciński, Poland*	Discussant
	The evolution of consumption inequality and risk-insurance in Chile **Carlos Madeira** (*Central Bank of Chile, Chile*)	**Mateusz Czerwinski** (*Uniwersytet Szczeciński, Poland*)
	Bank connectedness and investors' sentiment Maria Miruna Pochea (*Babeș-Bolyai University, Romania*), **Mihai Nițoi** (*Romanian Academy, Romania*)	**Carlos Madeira** (*Central Bank of Chile, Chile*)
	Investor attention or remaining in office? CEOs can't always get what they want **Mateusz Czerwinski** (*Uniwersytet Szczeciński, Poland*), Katarzyna Byrka-Kita (*Uniwersytet Szczeciński, Poland*), Agnieszka Preś-Perepeczo (*Uniwersytet Szczeciński, Poland*), Tomasz Wiśniewski (*Uniwersytet Szczeciński, Poland*)	**Mihai Nițoi** (*Romanian Academy, Romania*)

20:30 – 22:00	**C2.4: Credit Risk Modelling II**	ZOOM C2.4
	Chair: **Maria Victoria Landaberry**, *Banco Central del Uruguay, Uruguay*	Discussant
	A Predictive Model of Sovereign Investment Grade using Machine Learning and Natural Language Processing **Maria Victoria Landaberry** (*Banco Central del Uruguay, Uruguay*), Kenji Nakasone (*Banco Central del Uruguay, Uruguay*), Johann Perez (*Banco Central del Uruguay, Uruguay*), Maria Del Pilar Posada (*Banco Central del Uruguay, Uruguay*)	**Bogda Gabriel Moinescu** (*National Bank of Romania & Bucharest University of Economic Studies, Romania*)
	Credit Rating Prediction: An Appropriate Model for Small, Medium and Large Firms in Vietnam **Quoc Hai Pham** (*University of Economics and Finance Ho Chi Minh City, Vietnam*), Diep Ho (*Vietnam National University, Vietnam*), Khandaker Sarod (*Swinburne University of Technology, Australia*)	**Maria Victoria Landaberry** (*Banco Central del Uruguay, Uruguay*)
	Prediction of banking stress episodes in EU using macroeconomic imbalance scoreboard indicators Petr Jakubik (*European Insurance and Occupational Pensions Authority & Charles University in Prague*), **Bogda Gabriel Moinescu** (*National Bank of Romania & Bucharest University of Economic Studies, Romania*)	**Quoc Hai Pham** (*University of Economics and Finance Ho Chi Minh City, Vietnam*)

END OF FRIDAY SESSIONS

Saturday, 30 October 2021

08:30 – 10:00 Morning Parallel Sessions (A1)

08:30 – 10:00	**A1.1: Banking Regulation and Financial Services VII**	ZOOM A1.1
	Chair: **Ngan Nguyen**, *University of the District of Columbia, United States*	Discussant
	Banking Efficiency Matters: Evidence from the Covid-19 Pandemic **Ruchith Dissanayake** (*Queensland University of Technology, Australia*), Yanhui Wu (*Queensland University of Technology, Australia*)	**Ngan Nguyen** (*University of the District of Columbia, US*)
	The Role of ESG Performance in Bank Efficiency: International Evidence **Ahmed W. Alam** (*University of New Orleans, US*), Hasanul Banna (*University of Malaya, Malaysia*), M Kabir Hassan (*University of New Orleans, US*)	**Ruchith Dissanayake** (*Queensland University of Technology, Australia*)
	Bank Financial Reporting Opacity and Uninsured Deposit Financing **Ngan Nguyen** (*University of the District of Columbia, US*)	**Ahmed W. Alam** (*University of New Orleans, US*)

08:30 – 10:00	**A1.2: Asset Pricing and Allocation**	ZOOM A1.2
	Chair: **Rangga Handika**, *Institute for International Strategy, Tokyo International University, Japan*	Discussant
	Do Institutional and Managerial Ownership moderate the relationship between Asset Preference and Financial Performance? **Muhammad Ramzan** (*University of Malaya, Malaysia*)	**Rangga Handika** (*Institute for International Strategy, Tokyo International University JAPAN*)
	Revisiting Noise - Fischer Black's Noise at the Time of High-Frequency Trading **Gianluca Virgilio** (*Universidad Católica Sedes Sapientiae, Peru*), Manuel Ernesto Páz Lopez (*Universidad Nacional de Tumbes, Peru*)	**Muhammad Ramzan** (*University of Malaya, Malaysia*)
	Currency Risk Premia Determinants *Sugiharso Safuan (Department of Economics, Faculty of Business and Economics, Universitas Indonesia – INDONESIA),* **Rangga Handika** *(Institute for International Strategy, Tokyo International University JAPAN)*	**Gianluca Virgilio** (*Universidad Católica Sedes Sapientiae, Peru*)

08:30 – 10:30	**A1.3: Corporate Finance IX**	ZOOM A1.3
	Chair: **Linh Thompson**, *University of Texas at El Paso, United States*	Discussant
	Does the public pension fund as an asset-owner investor improve CSR? - who monitors the institutional investors **Yoko Shirasu** (*Aoyama Gakuin University, Japan*), Katsushi Suzuki (*Hitotsubashi University, Japan*), Sadok El Ghoul (*University of Alberta, Canada*)	**Peixuan Geng** (*Tianjin University, China*)
	Local labor match and corporate investments Nasim Sabah (*Framingham State University, US*), **Linh Thompson** (*University of Texas at El Paso, US*)	**Yoko Shirasu** (*Aoyama Gakuin University, Japan*)
	Post Earnings Announcement Drift in China: Evidence from the Shanghai-Hong Kong Connect	**Linh Thompson** (*University of Texas at El Paso, US*)

	Hao Yarong (*Southeast University, China*), Dong Bin (*Southeast University, China*)	
	Commodity price exposure and firm investment: Evidence from China Baochen Yang (*Tianjin University, China*), **Peixuan Geng** (*Tianjin University, China*), Ying Fan (*Beihang University, China*)	**Hao Yarong** (*Southeast University, China*)

08:30 – 10:00	**A1.4: Corporate Social Responsibility**	ZOOM A1.4
	Chair: **Richard Gregory**, *East Tennessee State University, United States*	Discussant
	Target investment level, its determinants and the impact of corporate social responsibility on speed of adjustment: Evidence from India **Dahiya Monika** (*Indian Institute of Technology Delhi, India*), Singh Shveta (*Indian Institute of Technology Delhi, India*), Chaudhry Neeru (*Indian Institute of Technology Delhi, India*)	**Richard Gregory** (*East Tennessee State University, US*)
	Does Mandatory Corporate Social Responsibility Regulation Matter to Promoters? Empirical Evidence from India **Satish Kumar** (*IBS Hyderabad, India*), Geeta Singh (*IBS Hyderabad, India*)	**Dahiya Monika** (*Indian Institute of Technology Delhi, India*)
	ESG Scores and the Response of the S&P 1500 to Monetary and Fiscal Policy during the Covid-19 Pandemic **Richard Gregory** (*East Tennessee State University, US*)	**Satish Kumar** (*IBS Hyderabad, India*)

10:00 – 10:30	**Break**	**Break ZOOM**

10:30 – 12:00 Morning Parallel Sessions (A2)

10:30 – 12:30	**A2.1: Corporate Finance X**	ZOOM A2.1
	Chair: **Thanh Ngo**, *Massey University, New Zealand*	Discussant
	Are co-opted boards socially responsible? **Huy Viet Hoang** (*National Economics University, Vietnam & Lincoln University, New Zealand*), Cuong Nguyen (*Lincoln University, New Zealand*), Christopher Gan (*Lincoln University, New Zealand*), Khanh Hoang (*National Economics University, Vietnam & Lincoln University, New Zealand*)	**Thanh Ngo** (*Massey University, New Zealand*)
	The dynamic effect of corporate social responsibility on post-merger firm performance: Evidence from emerging markets **Nhien-Tuyet Doan** (*Cantho University, Vietnam & Dayeh University, Taiwan*), Yi-Hao Lai (*Dayeh University, Taiwan*), Nhan Quoc Nguyen (*Cantho University, Vietnam*)	**Chanho Cho** (*Black Hills State University, US*)
	Corporate Innovation and CEO Martial Status **Chanho Cho** (*Black Hills State University, US*), Joey Choi (*Louisiana State University Shreveport, US*), Time Mooney (*Thomas Jefferson University, US*)	**Huy Viet Hoang** (*National Economics University, Vietnam & Lincoln University, New Zealand*)
	The Big Five model of personality traits in the banking sector: CEOs signature and bank performance in an emerging Asian country Tu DQ Le (*University of Economics and Law, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam*), **Thanh Ngo** (*Massey University, New Zealand & Vietnam National University, Hanoi, Vietnam*), Dat T Nguyen (*University of Economics and Law, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam*), Tin H Ho (*University of Economics and Law, Ho Chi Minh City,*	**Nhien-Tuyet Doan** (*Cantho University, Vietnam & Dayeh University, Taiwan*)

	Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)	

10:30 – 12:00	**A2.2: Monetary and Financial Economics II**	ZOOM A2.2
	Chair: **Truong Hong Trinh**, *University of Danang, Vietnam*	Discussant
	Effects of Monetary Policy and Government Effectiveness on Economic Growth: Evidence from 49 countries over the world. **Hang Dang Thi Thu** (*Hoa Sen University, Vietnam*), Lien Nguyen Phuong (*Hoa Sen University, Vietnam*)	**Truong Hong Trinh** (*University of Danang, Vietnam*)
	Targeted Monetary Policy and Firm Innovation: Evidence from China **Liu Qi** *(Southeast University, China)*, Dong Bin *(Southeast University, China)*	**Hang Dang Thi Thu** (*Hoa Sen University, Vietnam*)
	Towards Money Market in General Equilibrium Framework **Truong Hong Trinh** (*University of Danang, Vietnam*)	**Liu Qi** *(Southeast University, China)*

10:30 – 12:00	**A2.3: Finance and Sustainability III**	ZOOM A2.3
	Chair: **Chi-Chur Chao**, *Feng Chia University, Taiwan*	Discussant
	Importance of ESG Factors on the Sovereign Credit Ratings Phuong Le *(Advanced CMA, France & RITM, Paris Saclay University, France & Banking University, HCM city, Vietnam)*, **Edouard Pineau** *(Advanced CMA, France)*, Rémy Estran *(Advanced CMA, France)*	**Chi-Chur Chao** *(Feng Chia University, Taiwan)*
	The link between country SDGs and corporate ESG disclosure transparency: An empirical analysis of 1,500 firms from 14 countries **Thi Hong Van Hoang** *(Montpellier Business School, France)*, Linh Pham *(University of Central Oklahoma, US)*, Wissal Guermoudic *(Montpellier Business School, France)*	**Edouard Pineau** *(Advanced CMA, France)*
	Carbon Neutrality, Business Dynamism and Wage Inequality in a Sustainable Economy Cong Tam Trinh *(International University, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)*, Xuan Nguyen *(Deakin University, Australia)*, **Chi-Chur Chao** *(Feng Chia University, Taiwan)*	**Thi Hong Van Hoang** *(Montpellier Business School, France)*

10:30 – 12:00	**A2.4: Financial Markets, Institutions & Money III**	ZOOM A2.4
	Chair: **Cong Tam Trinh**, *International University, Vietnam National University - Ho Chi Minh City, Vietnam*	Discussant
	Economic Policy Uncertainty: The Probability and Duration of Economic Recessions in major European countries **Thanh Cong Nguyen** (*Phenikaa University, Vietnam*)	**Cong Tam Trinh** (*Vietnam National University - Ho Chi Minh City, Vietnam*)
	Drivers of the Real Effective Exchange Rate in Sub-Saharan Africa: Evidence from Dynamic Common Correlated Effect (DCCE) Approach **Zameelah Khan Jaffur** (*University of Mauritius, Mauritius*), Boopen Seetanah (*University of Mauritius, Mauritius*)	**Thanh Cong Nguyen** (*Phenikaa University, Vietnam*)
	Food or Jewellery? The Effects of Culture, Income, and Pandemic on Gold Demand **Cong Tam Trinh** (*International University, Vietnam National University - Ho Chi Minh City, Vietnam*), Xuan Nguyen (*Deakin University, Australia*), Chi-Chur Chao (*Feng Chia University, Taiwan*)	**Zameelah Khan Jaffur** (*University of Mauritius, Mauritius*)

12:00 – 13:00	**Break**	**Break ZOOM**
13:00 – 14:30 Afternoon Parallel Sessions (B1)		

13:00 – 15:00	**B1.1: Cryptocurrencies**	ZOOM B1.1
	Chair: **Bo Sang**, *Singapore Management University, Singapore*	Discussant
	Cryptocurrency Market Dynamic Causality **Thuy Dao** (*University Paris 8, France*), Duc Khuong Nguyen (*IPAG Business School, France*), Ahmet Sensoy (*Bilkent University, Turkey*)	**Bo Sang** (*Singapore Management University, Singapore*)
	Where do DeFi Stablecoins go? A Close Look at What DeFi composability really means **Kanis Saengchote** (*Chulalongkorn University, Thailand*)	**Hans-Jorg von Mettenheim** (*Keynum Investments & IPAG Business School, France & Oxford-Man Institute of Quantitative Finance, UK*)
	Trust, but Verify: Alleged Fraud and Initial Coin Offerings Kenny Phua (*University of Technology Sydney, Australia*), **Bo Sang** (*Singapore Management University, Singapore*), Chishen Wei (*Singapore Management University, Singapore*), Yang Yu (*Singapore Management University, Singapore*)	**Kanis Saengchote** (*Chulalongkorn University, Thailand*)
	Applying Prospect Theory on a Major Cryptocurrency Exchange Hoang-Viet Le (*Keynum Investments & Universite Paris Saclay, France*), Thu-Hang Do (*Paris-Dauphine University, France*), **Hans-Jorg von Mettenheim** (*Keynum Investments & IPAG Business School, France & Oxford-Man Institute of Quantitative Finance, UK*), Fei Liu (*IPAG Business School, France*), Walter von Mettenheim (*Leibniz Universitat Hannover, Germany*)	**Thuy Dao** (*University Paris 8, France*)

13:00 – 14:30	**B1.2: Banking Regulation and Financial Services VIII**	ZOOM B1.2
	Chair: **Murat Tinic**, *Kadir Has University, Turkey*	Discussant
	How Do Investors Prefer Banks to Transit to Basel Internal Models: Mandatorily or Voluntarily? Henry Penikas (*Bank of Russia & P.N. Lebedev Physical Institute & NRU HSE, Russia*), **Anastasia Skarednova** (*Alfa-Bank & NRU HSE, Russia*), Mikhail Surkov (*Bank of Russia, Russia*)	**Murat Tinic** (*Kadir Has University, Turkey*)
	Credit Creation, Credit Destruction, and Credit Reallocation: Evidence from India **Seema Saini** (*Indian Institute of Technology Kanpur, India*), Wasim Ahmad (*Indian Institute of Technology Kanpur, India & London School of Economics and Political Science, UK*)	**Anastasia Skarednova** (*Alfa-Bank & NRU HSE, Russia*)
	Financial technology in developing economies: A note on digital lending in Turkey Hakki Deniz Karaman (*Kadir Has University, Turkey*), Tanseli Savaser (*Vassar College, US*), **Murat Tinic** (*Kadir Has University, Turkey*), Gunseli Tumer-Alkan (*Vrije Universiteit Amsterdam, Netherlands*)	**Seema Saini** (*Indian Institute of Technology Kanpur, India*)

13:00 – 14:30	**B1.3: Dynamic of International Capital Markets II**	ZOOM B1.3
	Chair: **Philippe Gillet**, *University of Paris-Saclay, France*	Discussant
	Spillovers of the Bank of Japan's Exchange Traded Fund and Corporate Bond Purchases **Thuy Linh Nguyen** (*Hitotsubashi University, Japan*)	**Philippe Gillet** (*University of Paris-Saclay, France*)

	Revisiting the sources of U.S. imbalances: Wavelet approach **Junhyung Ko** *(Aoyama Gakuin University, Japan)*, Yoshito Funashima *(Tohoku Gakuin University, Japan)*	**Thuy Linh Nguyen** *(Hitotsubashi University, Japan)*
	Impact of COVID-19 on the interdependence of top ten Financial Markets: A study on Correlation, Cointegration, and Spillover Effect **Philippe Gillet** *(University of Paris-Saclay, France)*, Dipanita Deb *(University of Paris-Saclay, France & National Institute of Technology (NIT) Durgapur, India)*, Naima Ferhati *(LAREMO Laboratory, University of Tizi-Ouzou - Faculty of Economics)*, Phuong Le *(University of Paris-Saclay, France & Banking University HCM city, Vietnam & Qivalio, France)*	**Junhyung Ko** *(Aoyama Gakuin University, Japan)*

13:00 – 15:00	**B1.4: Corporate Finance XI**	ZOOM B1.4
	Chair: Wouter Torsin, *University of Liège, Belgium*	Discussant
	Do high skilled managers favour high skilled employees? Evidence from labour investment in China **Zixiong Sun** *(Massey University, New Zealand)*, Hamish Anderson *(Massey University, New Zealand)*, Jing Chi *(Massey University, New Zealand)*	**Nhung T. T. Nguyen** *(ESCP Business School, Paris, France & University of Economics Ho Chi Minh City, Vietnam)*
	Equity carve-outs, dual directors, and internal labor markets **Pengda Fan** *(Ritsumeikan Asia Pacific University, Japan)*	**Wouter Torsin** *(University of Liège, Belgium)*
	The Employment Non-Discrimination Act and Board Gender Diversity Xiaoqi Chen *(Xiamen University, China)*, **Wouter Torsin** *(University of Liège, Belgium)*	**Pengda Fan** *(Ritsumeikan Asia Pacific University, Japan)*
	Board interlock networks and corporate risk-taking: Evidence from a developing country **Nhung T. T. Nguyen** *(ESCP Business School, Paris, France & University of Economics Ho Chi Minh City, Vietnam)*, Christophe Moussu *(ESCP Business School, France)*	**Zixiong Sun** *(Massey University, New Zealand)*

14:30 – 15:00	**Break**	**Break ZOOM**

15:00 – 16:30 Afternoon Parallel Sessions (B2)

15:00 – 17:00	**B2.1: Banking Regulation and Financial Services IX**	ZOOM B2.1
	Chair: Jamel Saadaoui, *University of Strasbourg, France*	Discussant
	Club convergence in bank asset liquidity over the 2007–2019 period **Jari-Mikko Meriläinen** *(Jyväskylä University, Finland)*, Juha Junttila *(Jyväskylä University, Finland)*	**Jamel Saadaoui** *(University of Strasbourg, France)*
	Diversification, employee productivity and herding concerns: Evidence from Indian banks **Himadri Shekhar Chakrabarty** *(Indian Institute of Management Calcutta, India)*	**Jari-Mikko Meriläinen** *(Jyväskylä University, Finland)*
	Bank credit and economic growth: a dynamic threshold panel model for ASEAN countries Sy-Hoa Ho *(Duy-Tan University, Vietnam)*, **Jamel Saadaoui** *(University of Strasbourg, France)*	**Fabio Motoki** *(University of East Anglia, UK)*
	Face-off: banks' reaction to credit unions. Evidence from the Brazilian credit market	**Himadri Shekhar Chakrabarty** *(Indian Institute of Management Calcutta, India)*

	Fabio Motoki (*University of East Anglia, UK*), Poliano Cruz (*FUCAPE Business school, Brazil*), Reynaldo Assunção (*Brazilian Central Bank, Brazil*)	

15:00 – 16:30	**B2.2: Behavioral Finance VI**	ZOOM B2.2
	Chair: **Nhung Nguyen**, *University of Economics and Business, Vietnam*	Discussant
	1980s Japanese Black Swan and Bubble Experience Learning **Nga Nguyen** (*Dresden University of Technology, Germany*)	**Nhung Nguyen** (*University of Economics and Business, Vietnam*)
	Female CEO leadership and stock price crash risk: Evidence from an emerging market **Duc Nha Bui** (*Ton Duc Thang University, Vietnam*), Christophe Moussu (*ESCP Business School, France*), Nhung Nguyen (*ESCP Business School, France & University of Economics Ho Chi Minh City, Vietnam*)	**Nga Nguyen** (*Dresden University of Technology, Germany*)
	The Interaction Between Foreigners' Trading and Changes in Stock Indices on the Vietnam Stock Market **Nhung Nguyen** (*University of Economics and Business, Vietnam*), Anh Tran (*University of Economics and Business, Vietnam*)	**Duc Nha Bui** (*Ton Duc Thang University, Vietnam*)

15:00 – 16:30	**B2.3: Corporate Finance XII**	ZOOM B2.3
	Chair: **Bechir Ben Lahouel**, *IPAG Business School, France*	Discussant
	Divestment on the stock markets: A sign of low opportunity industry? **Asad Iqbal MASHWANI** (*EDC Paris Business School, France*), Sebastien Dereeper (Skema Business School, France), Jean Gabriel Cousin (Université de Lille, France)	**Bechir Ben Lahouel** (*IPAG Business School, France*)
	Impact of Risk on Capital Structure Adjustments: Evidence from SADC countries **Lydie Myriam Amelot** (*University of Mauritius, Mauritius*), Ushad Subadar Agathee (*University of Mauritius, Mauritius*), Boopendrah Seetanah (*University of Mauritius, Mauritius*)	**Asad Iqbal MASHWANI** (*EDC Paris Business School, France*)
	Swings and roundabouts of stakeholder management and firm competitiveness: Evidence from an efficiency approach **Bechir Ben Lahouel** (*IPAG Business School, France*), Lotfi Taleb (*Université de Tunis, Tunisia*), Younes Ben Zaied (*EDC Paris Business School, France*), Shunsuke Managi (*Kyushu University, Japan*)	**Lydie Myriam Amelot** (*University of Mauritius, Mauritius*)

15:00 – 17:00	**B2.4: Financial Markets, Institutions & Money IV**	ZOOM B2.4
	Chair: **Elmas Yaldız Hanedar**, *Sakarya University of Applied Sciences, Turkey*	Discussant
	Financialization and Inequality in Developing and Emerging Market Economies: AN Empirical Examination Using the Two-Step GMM Estimation Kang-Kook Lee (*Ritsumeikan University, Japan*), **Md Abu Bakkar Siddique** (*Ritsumeikan University, Japan*)	**Elmas Yaldız Hanedar** (*Sakarya University of Applied Sciences, Turkey*)
	Alchemy for Foreign Exchange Rate Forecasting **Rupsha Acharya** (*Xavier School of Management, India*), Pitabas Mohanty (*Xaviers Labor Relations Institute, India*)	**Md Abu Bakkar Siddique** (*Ritsumeikan University, Japan*)
	Investor Reactions to Reforms and Institutional Changes: Historical Evidence on the Ottoman Consolidated Bond	**Christos Bouras** (*University of Piraeus, Greece*)

	Traded in European Markets **Elmas Yaldız Hanedar** (*Sakarya University of Applied Sciences, Turkey*), Avni önder Hanedar (*Sakarya University, Turkey*), Mehmet Gökhan Göktan (*Okan University, Turkey*)	
	Financial development effects upon economic growth over multiple horizons **Christos Bouras** (*University of Piraeus, Greece*), Christina Christou (*Open University of Cyprus, Cyprus*), Christis Hassapis (*University of Cyprus, Cyprus*)	**Rupsha Acharya** (*Xavier School of Management, India*)

END OF CONFERENCE

List of Abstracts

Thursday, 28 October 2021

A2.1: Banking Regulation and Financial Services I

Securities Portfolio Management in the Banking Sector

Xun Zhong (*Fordham University, US*), Samuel Rosen (*Temple University, US*)

Abstract
We develop a method to measure securities selling activity by banks using publicly available data from regulatory filings. Using this data, we document stylized empirical facts and establish key relationships with other bank-level outcomes. Specifically, we find that contemporaneous changes in short-term liabilities (particularly deposits) are the factors most associated with selling decisions, but initial cash holdings and changes to bank capital or loans are also important. We use machine learning techniques to assess the extent to which bank security sales can be predicted out-of-sample and which ex-ante factors are important in doing so. Despite substantial improvements, we find that predictability is limited. Overall, our findings suggest that structural models of fire sales in the banking sector should consider both funding and asset shocks. Additionally, our model estimates could be used (1) to measure and monitor the risk of indirect contagion and (2) to forecast bank selling within regulatory stress testing exercises.

Capital Requirements and Bank Risk-Taking under Imperfect Supervision

Ruoning Han (*Tulane University, US*), Ahadul Kabir Muyeed (*Tulane University, US*).

Abstract
This paper studies the interactions between multiple capital requirements using a novel approach. The approach is based on the classical moral hazard: deposit competition leads to excessive risk-taking by banks. While risk-based capital requirements can reduce this risk-taking incentive, it comes at the cost of banks conducting regulatory capital arbitrage under an internal ratings-based (IRB) approach. This issue is further exacerbated under weak supervisory environment. We study whether adding a non risk-based leverage ratio can reduce arbitrage under imperfect supervision. The model shows that the risk-based capital requirements can reduce bank excessive risk-taking with arbitrage if the regulator imposes enough supervisory power. Once a non risk-based leverage ratio is introduced, arbitrage becomes less likely and the minimum supervisory power to restrict arbitrage also decreases. However, the ratio may induce some prudent banks to invest more aggressively, increasing aggregate risk-taking. Therefore, the banking regulator faces a trade-off between restricting arbitrage and banking stability.

The Sale of Failed Banks: The Characteristics of Acquirers – as Well as of the Acquired – Matter

Pejman Abedifar (*Khatam University, Iran & University of St Andrews, UK*), Amine Tarazi (*Université de Limoges, France & Institut Universitaire de France, France*), **Lawrence J. White** (*New York University, US*)

Abstract
This paper studies the pricing of assets and the franchise value that is embedded in the core deposits and branches of insolvent banks that are sold under the purchase and assumption resolution method of the Federal Deposit Insurance Corporation (FDIC). We analyze 620 acquisitions of solvent and insolvent U.S. banks between 2007:Q1 and 2016:Q3 and find that acquirers pay higher prices for insolvent banks with more branches. However, acquirers with more employees pay lower premiums for assuming core deposits of insolvent banks. We also compare the financial strength of acquirers of failed banks with that of acquirers of healthy banks in non-assisted takeovers. The results show that being financially strong matters more to acquire a solvent bank than a failed bank. Our findings have important implications for policy makers.

The Impact of CEO Dismissal on Firm Distress under High ESG Reputational Risk

Daewoung Choi *(Louisiana State University, Shreveport, US)*, Yong Kyu Gam *(University College Dublin, Ireland)*, Minjung Kang *(University of Michigan, Flint, US)*, Hojong Shin *(California State University, Long Beach, US)*

Abstract

This study investigates how effectively a forced CEO turnover mitigates the firm's financial distress that is triggered by a bad reputation for its Environmental, Social, and Governance (ESG) practices. We find that a firm's CEO dismissal decision significantly reduces the level of its financial distress ”measured by Altman's Z-Score”subsequent to negative media coverage of the firm's ESG practices. This suggests that the forced CEO turnover may be taken as an ex-post damage instrument. Additional results show that the moderating effect of the CEO dismissal is stronger in firms under greater market scrutiny conditioned on various mechanisms: market competition, sin stock industry, and analyst coverage.

Limits to Private Climate Change Mitigation

Dalya Elmalt *(University of Wisconsin, US)*, Deniz Igan *(International Monetary Fund)*, **Divya Kirti** *(International Monetary Fund)*

Abstract

The threat of climate change is increasingly urgent. Carbon taxes, widely viewed as an effective way to contain emissions, face deep political constraints. In their absence, some believe that a more sustainable approach to finance--one that incorporates environmental, social, and governance (ESG) considerations--could be part of the way forward. Unfortunately, our research suggests that such private market forces are unlikely to help make meaningful progress in mitigating climate change: ESG scores, widely used by sustainable investors, tend to reflect what firms say they (will) do, not what they actually do, to contain their climate footprints. This means that ESG scores do not capture differences across firms in their contributions to climate change. As far as the climate is concerned, sustainable investing is like a train heading down the wrong track: speeding it up without changing its direction will not lead to the desired destination. Continued efforts to build consensus for effective economy-wide policies targeting carbon emissions remain crucial.

Is it costly to reduce pollution in response to non-prescriptive regulation? Evidence from China's CSR reporting mandate

Jeff Gramlich *(Washington State University, US)*, Li Huang *(Louisiana State University Shreveport, US)*

Abstract

Conventional wisdom (the “Traditional View”) argues that pollution reductions cannot be achieved without sacrifice of profit. The Porter Hypothesis counters that non-prescriptive regulations can incite innovation that improves process efficiency which simultaneously reduces pollution and benefits shareholders. We employ China's mandatory CSR reporting requirement as a natural experiment to consider these propositions since under the rule some, but not all, of China's public firms were required to issue CSR reports starting in 2008. Our difference-in-differences (DID) analyses apply to a balanced sample of firm-year observations of financial and Trucost pollution-emission data (i.e., all sample firms have complete data for three years before and three years after 2008). This firm-level evidence indicates that firms required to issue CSR reports decreased overall pollution levels after the mandate relative to unaffected control firms, consistent with prior research. Consistent with prior research, we find decreased profit margins among firms subject to the CSR reporting mandate. But, as predicted by the Porter Hypothesis, asset efficiency also improved, which prevents significant reductions in asset returns. Mediation analysis indicates that mandate-related pollution reductions occurred through efficiency improvements, in particular through more efficient use of long-term physical operating assets, which supports the Porter Hypothesis.

Sentiment and Style: Evidence from Republican Managers

Serkan Karadas (*University of Illinois Springfield, US*), Jorida Papakroni (*Franklin & Marshall College, US*)

Abstract
The authors examine the relationship between managers' political ideology and their corporate leverage decisions in periods of high and low investor sentiment in order to assess whether managers are behaviorally consistent across these different periods. For the period 1992 to 2008, the authors employ the Firm-Level Republican index (REP) developed by Hutton et al. (2014) based on individual political contributions to identify Republican top managers in U.S. firms. The authors empirically examine whether REP explains measures of corporate leverage across firms and time in an unbalanced panel with industry fixed effects. Primarily, consistent with the literature, this empirical analysis confirms that corporate managers, regardless of their political ideology, on average are influenced by the investor sentiment in that they significantly increase financial leverage in the high-sentiment periods. Next, the authors confirm that firms run by relatively more Republican managers have significantly lower levels of corporate debt over time. The most important result is that Republican managers significantly reduce leverage during periods of high investor sentiment. To the best of the authors' knowledge, this is the first paper to document that Republican corporate managers are behaviorally consistent in their leverage decisions across low- and high-sentiment periods. Overall, the empirical evidence from this study indicates that personal characteristics of managers, such as political affiliation, have a consistent impact on their financial decisions, providing support for the theory of behavioral consistency.

Insurance Coverage and Bank risk

Chia-Chun Chiang (*University of Texas at El Paso, US*)

Abstract
An increase in insurance coverage in the post-hurricane period has two impacts on bank risks. On the one hand, higher insurance coverage signals manageable risk in the disaster zone, encouraging bank risk-taking incentives. On the other hand, precautionary or overreacted banks may raise their coinsurance level and shift more risks to insurers as they see an increase in insurance coverage, thus decreasing bank risk. We use the 2005 hurricane season as a natural experiment to examine the relationship between previous insurance coverage and bank risk in the post-hurricane period. We find that insurance coverage in the last quarter positively correlates with affected bank current risk-taking in the post-Katrina period, indicating risk-taking incentives over precautionary effects. However, insurance coverage in the last quarter negatively correlates with non-core-affected bank risk-taking. This suggests that less seriously hit banks are more precautionary, consistent with salience theories of choice. Our evidence shows the importance of the availability of insurance for banks and highlights the different impacts of insurance coverage on different types of banks.

Managerial Incentives and Precautionary Fire Sales

Abhishek Bhardwaj (*New York University, US*), Kose John (*New York University, US*), **Saptarshi Mukherjee** (*Northeastern University, US*)

Abstract
This paper investigates how precautionary behavior of fund managers induced by compensation linked incentives affect prices of downgraded loans in the leveraged loans market. Using detailed portfolio data from Collateralized Loan Obligation (CLO) funds, we find that fund managers with more uncertain equity linked fee structure are more likely to sell downgraded loans. We also show that this trading behavior is driven by precautionary motives of fund managers, currently unconstrained, in anticipation of future binding collateral constraints. Loans subject to a high probability of incentive-induced selling exhibit large price declines and subsequent reversals. Our results provide new insights into the role of incentives on managerial risk taking and fire sale externalities in the corporate debt market.

The Downstream Channel of Financial Constraints and the Amplification of Aggregate Downturns

Gustavo S. Cortes (*University of Florida, US*), **Sergio Rocha** (*University of Illinois, US*)

Abstract
We identify a novel channel through which financial constraints propagate in the production chain. Firms experience greater valuation losses during industry downturns when their suppliers are financially constrained. Exploiting recent developments on production network data of all listed US firms, we link firms vertically and find that downturn effects are stronger when: (i) suppliers are more constrained; (ii) firms depend more on specific inputs; and (iii) suppliers are more concentrated. The effects are attenuated or muted when suppliers manage to keep high levels of accounts receivables, suggesting trade credit as a mechanism through which the downstream channel operates. Our findings uncover two network implications of financing constraints: stronger contagion of negative shocks through supplier-customer links and the amplification of customer industries' aggregate valuation losses.

Aggressive CEOs and Bank Mergers and Acquisitions

Mingming Ji (*Hong Kong Polytechnic University, Hong Kong*), Liangliang Jiang (*Hong Kong Polytechnic University, Hong Kong*)

Abstract
The U.S. bank industry has seen a series of merger waves since 1980s. Despite of significant interest on determinants of these merger waves, little empirical research has examined the role of CEOs in influencing banks' mergers and acquisitions (M&As). This paper studies the effect of CEOs' aggressive attitude on bank M&As. Using inter-state wars data, we construct a new measure for bank CEOs' aggressive attitude embedded in their countries of origin. We find that aggressive CEOs are more likely to acquire other banks. Moreover, the effect of CEOs' aggressive attitude is more pronounced when CEOs are less affected by culture assimilation, and have a high need for achievement. In addition, CEOs from more profitable or high-leveraged banks, and CEOs aged over 60 are more likely to make aggressive acquisitions. Finally, we show a positive effect of CEOs' aggressive attitude on market return after aggressive-M&As but such effect only stays for a short term.

Internal Corporate Communication: Age Disparity between CEOs and CFOs

Daewoung Choi (*Louisiana State University in Shreveport, US*), M. Tony Via (*Kent State university, US*).
Weiwei Zhang (*James Madison University, US*), **Wenqiao Zhang** (*Liaoning University, China*)

Abstract
Substantial age divergence between the executives can lead to cognitive conflicts, increase the difficulty of efficient communication and reaching agreements, and eventually damage the firm value. We study impact of the age disparity between the CEOs and CFOs in U.S. public firms on firm value. We find a negative relationship between the age disparity and firm performance. Additional tests reveal that the age disparity effect is more pronounced in the high-tech industry firms and younger firms, in which effective and smooth internal communication is essential. We further find that a larger age discrepancy between two top executives is associated with lower investment inputs and outputs, providing the potential channel through which age discrepancy negatively impacts firm value

B1.1: Behavioral Finance I

Innovation, Annual Report Readability and Earnings Management

Dimitrios Gounopoulos (*University of Bath, UK*), Winifred Huang (*University of Bath, UK*), **Min Yang** (*University of Bath, UK*)

Abstract
In this study, we analyze the relationship between innovation and annual report readability. We introduce four innovation indicators: innovation incentive, innovation intensity, innovation value, and innovation efficiency, in which each captures and reflects different aspects and performance involved with innovation activities. We show that firms take advantages of disclosing more complicated annual reports to boost their innovation incentive, innovation intensity, and innovation value. However, when an increase in innovation inputs (i.e. R&D) is higher than an increase in innovation outputs (i.e. patents), corporate innovation efficiency is likely to decrease with complex annual reports. We find that earnings management can change the impact of complex annual reports on different innovation indicators. With a better real earnings management, complex annual reports encourage innovation intensity and innovation value, but discourage innovation incentive. Our evidence indicates that whether beating the earnings benchmark is critical, while the positive relation between complex annual reports and patents is more pronounced in firms who beat the earnings benchmark. However, when firms miss or just meet their earnings benchmarks, only innovation incentive can benefit from the less readable annual reports. Overall, our findings provide novel insights about the impacts of annual report readability on different innovation indicators. Complex annual reports encourage firms' innovation inputs and outputs, but adversely decrease the innovation efficiency.

Merger-driven listing dynamics

B. Espen Eckbo (*Tuck School of Business at Dartmouth, US*), **Markus Lithell** (*Norwegian School of Economics, Norway*)

Abstract
To accurately gauge the flow of firms into and retained by stock exchanges, we add targets of public acquirers to the listing count. For the U.S., this merger-adjustment rivals IPOs in its impact on listing dynamics, and it eliminates the dramatic post-1996 listing decline and subsequent international listing gap. We also show that listing peaks are surprisingly common internationally, but with a different impact of our merger-adjustment. While the U.S. post-peak decline reflects mergers between public firms, declines elsewhere tend to move assets out of public markets - pointing to a relative U.S. listing advantage.

Do patent-trolls cause the high-tech firms to delist?

Sayla Siddiqui (*Australian National University, Australia*)

Abstract
This paper investigates the impact of non-practicing entity (NPE) litigation on the delisting of the firms in the U.S. stock market. Using a sample of high-tech and patent intensive firms from the U.S. market between 2000 and 2019, we find that the frivolous patent trolling by the NPEs is positively associated with the delisting decision of the defendant firms. We ensure this causality by using the Anti-troll law targeted to curb the threat of NPE trolls. We also find that this effect is influenced by the direct cost of NPE litigation and that going private can significantly mitigate the threat of NPE trolls. Our result recommends that policies aimed to ease the threat of NPE trolls is important to safeguard the steadiness of the innovation intensive companies in the U.S. stock market.

B1.2: Applications of Machine Learning

Machine learning for U.S cross-industry return predictability under uncertainty

Haithem Awijen (*University of Sfax, Tunisia & IPAG Business School, France*), **Younes Ben Zaied** (*EDC Paris Business School, France*), Bechir Ben Lahouel (*IPAG Business School, France*), Foued Khlifi (*ISGG, Tunisia*)

Abstract
We examine the association between industry information uncertainty and cross-industry return predictability by use of machine learning methods in a general predictive regression framework. We show that controlling for post-selection inference and multiple testing, improve the in-sample predictive performance of cross-industry return predictability in high-uncertainty industries. We particularly find that OLS post-LASSO models that incorporate Lagged returns for the

financial as well as commodity is critical to improve prediction performance. Furthermore, out-of-sample industry return forecasts establishes a predictability heterogeneity over US industries, in which excess returns are more predictable in sectors with a medium and low uncertainty.

Business Model Contributions to Bank Profit Performance: A Machine Learning Approach

Fernando Bolívar (*BBVA Research, Spain*), **Miguel A. Duran** (*University of Malaga, Spain*), Ana Lozano-Vivas (*University of Malaga, Spain*)

Abstract

This paper analyzes the relation between bank profit performance and business models. To assess the profitability of bank business models, we propose a new approach based on machine learning. In particular, we identify bank business models using balance sheet components' contributions to profitability as a grouping criterion. Thus, in contrast to previous works, the strategy for identifying bank business models is not based on similarities among banks' asset and liability mixes, but on these mixes' contributions to profitability. We apply this methodological proposal to the European Union banking system in 1997-2016.

Assessing the pitfalls of machine learning: An application to Bitcoin price predictions

Julien Chevallier (*IPAG Business School, France*), Dominique Guégan (*Université Paris 1 Panthéon-Sorbonne, France*), Stéphane Goutte (*CEMOTEV, UVSQ, Paris-Saclay & Paris School of Business, France*)

Abstract

This study examines alternative six and seven factor equity pricing models directed at capturing a new factor This paper focuses on forecasting the price of Bitcoin, motivated by its market growth and the recent interest of market participants and academics. We deploy six machine learning algorithms (e.g., Artificial Neural Network, Support Vector Machine, Random Forest, *k*-Nearest Neighbours, AdaBoost, Ridge regression), without deciding *a priori* which one is the "best" model. The main contribution is to use these data analytics techniques with great caution in the parameterization, instead of classical parametric modelings (AR), to disentangle the non-stationary behavior of the data. As soon as Bitcoin is also used for diversification in portfolios, we need to investigate its interactions with stocks, bonds, foreign exchange, and commodities. We identify that other cryptocurrencies convey enough information relevant to explain the behavior of the daily variation of the Bitcoin's spot and futures prices. Forecasting results point to the segmentation of Bitcoin with respect to alternative assets. According to this result, trading strategies are implemented.

B1.3: Banking Regulation and Financial Service II

Cross-Client Lending: the Information Content from Supply Chain and Employment Bank Relationships

Theo Cotrim Martins (*Fundação Getúlio Vargas & Banco Central do Brasil, Brazil*), Rafael Schiozer (*Fundação Getúlio Vargas, Brazil*), Fernando Linardi (*Banco Central do Brasil, Brazil*)

Abstract

How do banks deal with exposure stemming from lending to a set of borrowers that are connected by business and employment ties? On one hand, bank lending to a set of related parties enlarges the information set of the lender, whereas on the other it increases the concentration risk of its loan portfolio by means of cross-client contagion. We combine datasets containing detailed supplier-customer transactions, and employment information with loan-level data from a credit bureau to investigate whether bank relationship along business ties (i.e., to the firm's suppliers, customers and employees) increases the supply of loans to the firm. Our evidence shows that the amount of loans granted by a bank to the median borrowing firm increases by approximately 25% when the firm's suppliers, customers or employees have loans with the same bank.

Net stable funding ratio and cooperative banks' stability: evidence from Europe

Erika Bragaglia (*University of Rome "Tor Vergata", Italy*), **Domenico Curcio** (*University of Naples "Federico II", Italy*), Igor Gianfrancesco (*LUISS University, Italy*), Michele Modina (*University of Molise, Italy*)

Abstract

In 2010 the Basel Committee on Banking Supervision (BCBS) introduced new liquidity rules phased in under Basel III and, specifically, defined the Net Stable Funding Ratio (NSFR) with the aim of making the financial system more stable and resilient. We examine the relationship between the NSFR and banks' stability with a particular focus on European cooperatives. Based on a panel dataset of 1,173 cooperative banks from Austria, Germany and Italy, observed over the years 2011-2018, we find that stability improves for cooperative banks that have higher NSFRs, but there is a point at which increasing further the NSFR diminishes their stability. The marginal impact of the NSFR on cooperative banks' stability increases as the banks' efficiency and credit risk exposure increase and diminishes as the income diversification and the size increase.

Internal Ratings, Non-Performing Loans, and Bank Opacity: Evidence from Analysts' Forecasts
Brunella Bruno (*Bocconi University, Italy*), Immacolata Marino (*University of Naples Federico II, Italy*), **Giacomo Nocera** (*Audencia, France*)

Abstract
We use a panel data set of large listed European banks to evaluate the effect of the usage of internal ratings-based (IRB) models on bank opacity. We find that a more intensive usage of these models is associated with lower forecast error and disagreement among analysts about bank earnings per share. These results seem to be driven by the more detailed disclosure of loan portfolios required of IRB users, and are stronger in banks adopting the advanced version of IRB models. In these banks the negative effect of non-performing loans on bank transparency is mitigated. However, the transparency-enhancing role of IRB models fades in low-capital banks, suggesting that capital constraints could favor an opportunistic usage of internal ratings that counterbalances their beneficial effect on bank transparency.

B1.4: Finance and Sustainability II

Does green investment matter for financial performance? An instrumental variable quantile regression approach
Béchir Ben Lahouel *(IPAG Business School, Paris, France)*, Younes Ben Zaied *(EDC Business School, France)*, Lotfi Taleb *(University of Tunis, Tunisia)*

Abstract
The purpose of this paper is to re-investigate the relationship between corporate green investment and financial performance since no conclusive results have been reached so far on such association. We use a sample of listed European firms belonging to 11 Euro area countries over the period 2005-2017. We apply an instrumental variable quantile regression approach for panel data (IV-QRPD) with nonadditive fixed effect, recently developed by Powell (2016), to control for both potential endogeneity bias and heterogeneity of the variables. The findings prove that the impact of corporate green investment on financial performance is not fixed across the quantiles and thus the relationship between the two variables is not monotonically linear. Evidence shows the presence of a threshold effect as the influences of corporate green investment on financial performance take different effects along the quantiles reflecting the conditional distribution of the dependent variable.

Fintech and Financial Literacy in Viet Nam
Peter Morgan (*Asian Development Bank Institute, Japan*)

Abstract
Financial literacy is gaining increasing importance as a policy objective in many countries. A growing literature has examined the role of financial literacy in an individual's income, saving behavior, and the use of various financial products. However, so far, we are not aware of any studies of the relationship between financial literacy and the awareness and adoption of financial technology (fintech) products, i.e., financial products provided via internet-based and mobile-based platforms especially in developing countries. This paper examines this relationship in a developing country, Viet Nam. To do so, we conducted a survey on financial literacy and fintech awareness and adoption, using financial literacy questions to calculate a financial literacy score. We find that a higher level of financial literacy has strong and positive effects on an individual's awareness and use of fintech products.

ESG performance and Covid-19 pandemic: An empirical analysis of European listed firms
Thi Hong Van HOANG (*Montpellier Business School, France)*

Abstract
This paper investigates the linkage between ESG performance and the impact of the Covid-19 pandemic on the stock performance of listed firms in Europe. 344 European firms in the Eurostoxx 600 index are studied with ESG performance measured by MSCI ESG Rating and Sustainalytics ESG Ranking. We consider stock performance comparison and panel data regressions to analyze the impact of various factors on stock performance in 2019 and 2020. Empirical results show that firms with high ESG performance have a lower volatility, both before and during the first wave of the Covid-19 pandemic. However, there is no evidence that the stock performance is higher for firms with high ESG performance. On the other hand, the different results obtained in panel data regressions, depending on the ESG rating agency considered, implies that it is important to carefully investigate the methodology defined by each ESG rating agency carefully.

B2.1: Environmental, Social, and Governance

Financing Sustainable Entrepreneurship: ESG Measurement, Valuation, and Performance in Token Offerings

Sasan Mansouri *(Goethe-University Frankfurt, Germany)*, Paul P. Momtaz *(UCLA Anderson School of Management, US & Goethe-University Frankfurt, Germany)*

Abstract
Sustainable Entrepreneurship (SE) seeks to attain profitability and sustainability goals. A major research gap concerns SE's economic attractiveness for entrepreneurs and investors. The question is ambiguous because sustainability orientation creates costly constraints, while startups cannot fully appropriate their positive externalities. We relate startups' Environment, Society, and Governance (ESG) properties obtained from a machine-learning approach (www.SustainableEntrepreneurship.org) to SE valuation and performance in token offerings. Startups with salient ESG goals are able to raise financing at more favorable valuations, incentivizing entrepreneurs to adopt ESG goals in the first place. However, their post-funding performance is weaker than in conventional startups, suggesting that investors incur a relative financial loss for backing sustainability-oriented entrepreneurs. Both valuation and post-funding performance are weaker in ESG startups with pre-existing binding constraints.

Does media coverage of firms' environment, social, and governance (ESG) incidents affect analyst coverage and forecasts?

Zhichao Li (*Durham University, UK*), Guanming He (*Durham University, UK*)

Abstract
Media coverage of environment, social and governance (ESG) issues provides useful information for analysts as corporate social irresponsibility events potentially influence firm performance and risk. Our study explores whether and how analysts respond to media coverage of corporate social irresponsibility by examining its relationship with analyst coverage and forecasts. We find that the level of analyst coverage is negatively associated with a firm's ESG incidents covered by the media. This association is more pronounced for firms with high business risk, high information opacity, and more intense industrial product market competition. We also find a positive association between media-covered ESG incidents and analyst forecast error and dispersion, suggesting that analysts might fail to incorporate the ESG risk exposures into their forecasts in an appropriate manner. Overall, our results suggest that corporate social irresponsibility undermines the role analysts play as information intermediaries for investors in the stock market.

ESG, Liquidity, and Stock Returns

Di Luo (*University of Southampton, UK*)

Abstract
We examine the relation between environment, social, and governance (ESG) score and future stock returns in the United Kingdom (UK). Consistent with Hong and Kacperczyk (2009), Bolton and Kacperczyk (2021), and Pedersen et al. (2021), firms with lower ESG earn higher returns than those with higher ESG, which is unexplained by the common asset pricing models. Firms with high ESG are more liquid than those with low ESG, suggesting that the former are in higher demand than the latter. To explain the premium, we show that the ESG premium is significant for low liquidity securities but not for high liquidity securities, which suggests that ESG is likely associated with stock liquidity.

B2.2: Financial Markets, Institutions & Money I

Politically Motivated Credit Ratings

Quan M.P. Nguyen (*Massey University, New Zealand*), Hung Do (*Massey University, New Zealand*), Alexander Molchanov (*Massey University, New Zealand*), Lily Nguyen (*University of Queensland, Australia*), Nhut H. Nguyen (*Auckland University of Technology, New Zealand*)

Abstract

We investigate whether political similarities between credit rating agencies (CRAs) and bond issuers impact ratings. We find that a higher degree of similarity of political affiliation leads to a decrease in timeliness and accuracy of downgrades prior to default events. Our findings support the notion that CRAs tend to maintain/assign relative rating advantages to politically similar firms via favourable rating activities. We further show that these politically similar firms tend to increase the proportion of political donations to their favoured party following favourable credit ratings. Interestingly, this result is confined to Republican-leaning firms. The results indicate that CRAs successfully use biased credit ratings as an indirect channel of political party support.

How is trust related to relationship lending? A case of Vietnam

Ly Hoang Vu (*University of Lille, France*)

Abstract

Theories and previous work indicate that opacity problems cause difficulties for enterprises, especially small and medium sized enterprises (SMEs), to access bank credit. Trust and strong firm-bank relationships are found to allow the enterprises to solve problems and therefore obtain bank credit. However, the link between trust and firm-bank relationships is still under-researched and therefore needs more empirical consideration especially in countries where the banking system and legal infrastructure are underdeveloped. Analyzing a unique dataset of 610 non-bank enterprises obtained from our survey which was conducted in Vietnam during July 2019-February 2020, we find that trust and RL are substitutes. However, their links are different between firms with and without needs for bank credit. For a case of firms with the needs, trust and RL are found to be complements.

Manager Characteristics and Credit Derivative Use by U.S. Corporate Bond Funds

Galkiewicz Dominika *(University of Applied Sciences Kufstein, Austria)*, Ma Li *(Humboldt University, Germany)*

Abstract

This study provides a comprehensive overview of the use of credit default swaps (CDS) by U.S. corporate bond funds and analyzes in detail whether certain manager characteristics, in addition to the fundamentals of a fund, determine their use of credit derivatives. Results suggest that a manager's education, age and experience are positively correlated with a fund's CDS holdings and are economically as meaningful as fund characteristics. After addressing self-selection concerns, it turns out that funds with older managers, more experienced managers or managers keeping higher assets under management are more likely to take on credit risk via selling CDS protection and keep significantly higher net short CDS positions during and around the 2007-2009 financial crisis. This leads to a higher risk exposure and worse fund performance. Thus, monitoring remains an important issue and new monthly SEC reporting requirements will make it easier to recognize any types of inconsistencies early on.

B2.3: Corporate Finance III

The impact of workforce health on earnings quality

Truc (Peter) Do (*University of Queensland, Australia*)

Abstract

Health is arguably one of the most important aspects contributing to productive human capital. In this study, we examine how the health of the workforce has an impact on the earnings quality of firms. Using American Fitness Index data that tracks the population health across US cities for the period 2008-2019, we document that firms headquartered in cities with healthier populations display lower levels of real activities and accrual earnings management. The results are robust after considering the simultaneity between the two types of earnings management, as well as controlling

for endogeneity using the instrumental variable approach. We also document some interesting cross-sectional results. The impact of workforce health on earnings quality is more pronounced when the firms are in a more innovative business, and when the firms have more employees. Overall, our results contribute to the debate on the importance of individual health and we document evidence that workforce health plays an important role in ensuring the quality of the accounting function.

Geopolitical Uncertainty Stifles Innovation and Growth

Ruchith Dissanayake (*Queensland University of Technology, Australia*), **Yanhui Wu** (*Queensland University of Technology, Australia*)

Abstract
We use a narrative method to construct an uncertainty measure based on transnational geopolitical tensions that is plausibly uncorrelated with the existing economic conditions. Increases in geopolitical uncertainty cause a significant reduction in R&D expenditure and patenting activity - measured using patent numbers, citations, and private value - for a sample of publicly listed firms in the US. In the cross-section, the impact of geopolitical uncertainty on innovation and output growth is greater for firms in industries with high innovative competition and financial market frictions. We show that our results are unlikely to be driven by omitted variable bias or measurement error.

Social Capital and Risk-Shifting Incentives

Dimitris Andriosopoulos (*University of Strathclyde, UK*), **Sheikh Tanzila Deepty** (*University of Strathclyde, UK*)

Abstract
As firms need to invest to build their social capital, we investigate the relationship between CSR reputation and firm investment. We find that high CSR firms shift risk from shareholders to creditors. Hence, social capital affects risk-shifting incentives. Also, firms facing higher probability of default increase their CSR investment. CSR reputation then acts as a signal-jamming mechanism preventing investors and other stakeholders from identifying how distressed a firm truly is.

B2.4: Monetary and Financial Economics I

Are Government Bond Yields Bounded or Quasi-Bounded at the Zero? – Credibility of Central Banks' Commitments

Cho-Hoi Hui (*Hong Kong Monetary Authority, Hong Kong*), Chi-Fai Lo (*The Chinese University of Hong Kong, Hong Kong*), **Ho-Yan Ip** (*The Chinese University of Hong Kong, Hong Kong*)

Abstract
This paper develops a model based on a target-zone approach in which the dynamics of government bond yields follow a quasi-bounded process, such that the zero lower bound (ZLB) can be breached if the probability leakage condition of the dynamics is met. A one-sided U-shaped bond yield distribution illustrates accumulation of probability at the ZLB. Allowing the expected return and variance of the market's return proportional to the square of the state variable governing changes in production and investment opportunities over time suggests the state variable following an asymmetric mean-reverting process with strong counteracting force at the ZLB representing the credibility of the bound committed by a central bank. Empirical calibrations of the proposed process for the US and French government bond yields show that the process can adequately describe their dynamics. While the yields were bounded above the ZLB during most of the time, as indicated by their dynamics, the conditions for breaching the bound were met in January 2013 for the French government bond and March 2020 for the US Treasury using only information until those points. The economic and financial condition uncertainties are negatively co-integrated with the mean reversion in the dynamics, suggesting increased likelihood of the yield breaching the ZLB and erosion of the credibility of the bound amid higher uncertainties.

Does the choice of monetary policy tool matter for systemic risk? A curious case of negative interest rates

Iwanicz-Drozdowska Malgorzata *(SGH Warsaw School of Economics, Poland)*, **Karol Rogowicz** *(SGH Warsaw School of Economics, Poland)*

Abstract
This study evaluates the impact a Negative Interest Rate Policy (NIRP) on systemic risk covering a wide range of economies and relatively long-term. We confirm that monetary policy affects banks' vulnerability to systemic risk

events and their ability to be a source of such an event, particularly for institutions connected via the contagion network. With the rising interest rate shock the effect on systemic risk starts to be non-linear, so it is driven by contagion effect to a greater extent, especially under NIPR. The uniqueness of NIRP's impact may be characterized as arising from the evolution of the structure and intensity of impulse transmission, while not affecting the structure of monetary policy transmission mechanism.

The effects of global economic uncertainty shocks: International evidence

Javed Bin Kamal (*East West University, Bangladesh*), Hossain Akhand *(University of Newcastle, Australia)*, Omar Farooque *(University of New England, Australia)*

Abstract

This paper investigates the effect of global economic uncertainty shocks on the key macroeconomic variables of 33 developed and developing countries. Using a novel measure of global economic uncertainty - global vector auto regression (GVAR) framework - and data of 1990.q1-2014.q3, we provide consistent evidence with the theoretical prediction of negative effect of uncertainty shocks on the economic performance of the sample countries. However, there are also positive effects of global economic uncertainty shocks on the macroeconomic variables in the estimation, thus overall constituting a mixed result. Euro and Chinese Yuan are strong and least affected currencies, while financial markets of USA is the key source of global economic uncertainty. China is less affected economies from the global economic uncertainty shocks, supporting the decoupling hypotheses.

C1.1: Banking Regulation and Financial Services III

Deposit Competition and the Securitization Boom

Huyen Nguyen (*Halle Institute for Economic Research, Germany*), Danny McGowan (*University of Birmingham, UK*)

Abstract

We provide novel evidence that regulatory-induced deposit market competition provoked banks to enter the securitization market. Exploiting the state-specific removal of interstate bank branching restrictions across U.S states between 1994 and 2006 as an exogenous source of deposit competition, we document that the interstate branching deregulation leads to an intensification of deposit market competition. This rise in the cost of deposits increases the probability that a bank operates an `originate-to-distribute' model by 6%. The securitization effect holds across bank asset classes but is most pronounced for mortgages. The results are strongest among small and single state banks owing to their reliance on deposit funding. The findings highlight a hitherto neglected supply-side explanation for the rapid expansion in securitization before the financial crisis and speak to the debate about banking competition policy.

Lead Arrangers in Syndicated Loans

Aurore Burietz (*IESEG School of Management, France*), **Paolo Mazza** (*IESEG School of Management, France*)

Abstract

In this paper, we model the first phase of the syndicated loan process by mapping it onto contract bidding theory. Our stylized cost model includes several costs components including the effort made by a candidate lender to be attractive to the borrower. This effort is then modeled as a function of a bidder-specific effect which encompasses past relationships, geographical proximity and industry relatedness as well as the presence of a full-underwriting clause. We also factor in the uncertainty associated with the transaction. We then empirically test the predictions of the model by analyzing the effect of past relationship, geographical and industrial specialization on the level of upfront fees that are reserved to lead arrangers only. All in all, our empirical results are consistent with the existing literature and the predictions of our stylized model.

Risk-based capital and leverage ratios adjustments by banks: Experience from Canada and the U.S.

Hélyoth Hessoua (*Université de Sherbrooke, Quebec, Canada*), **Van Son Lai** (*Université Laval, Canada*)

Abstract

The Basel III framework comes with the requirement of a minimum leverage ratio acting as a backstop to the existing Basel II risk-based capital ratio. Given that Canada and the US have adopted similar double capital rules prior to Basel III, we study the implications of these two rules on bank capital adjustments. We show that the mix of the two-capital rules can be viewed as a “hockey stick” shape single leverage ratio with limits equal to the value of a call

option on the bank risk-weighted assets density. Since a tighter limit was imposed in Canada than in the US on the "combined" leverage ratio, Canadian banks exhibit asset risk-sensitive leverage ratios well before the 2007 global financial crisis (GFC). Meanwhile, the loosening limit on the US leverage ratio makes the leverage ratio irresponsive or inversely related to US banks' asset risk.

C1.2: Behavioral Finance II

Containment measures and spillover effects in COVID times: A global study on business confidence

Paula Margaretic (*University of San Andrés, Argentina*), Diego Finchelstein (*University of San Andrés, Argentina*), Agustin Sotelo (*University of San Andrés, Argentina*)

Abstract

In this paper we take a global perspective to assess the impact of the exogenous COVID pandemic shock on business confidence. Through a quantitative analysis of 43 emerging and advanced economies over the period from January 2018 to December 2020, we provide a novel investigation of a unique worldwide event, in contrast to the most frequent exogenous shocks, which typically have a more limited local or regional scope. We proxy business expectations with the business confidence indicator or BCI. First, we find that the containment measures for the COVID pandemic have negatively affected business confidence, with the compulsory policies having a greater negative effect on BCI than the voluntary ones. Second, we find positive spillover effects on the local BCIs from the containment measures implemented in neighboring countries. This suggests that business people are not against compulsory measures *per se*, but rather that they are less inclined to assume the costs of these. Third, we find that while the severity of the containment measures has been greater in emerging countries, the negative impact on BCI of these containment measures has been larger in advanced economies.

Global Momentum: The Optimal Trading Approach

Alain Wouassom (*Coventry University, UK*), Gulnur Muradoglu (*Queen Mary University of London, UK*), Nicholas Tsitsianis (*Queen Mary University of London, UK*)

Abstract

We investigate momentum strategies in international equity markets. International investors that switch back and forth from one country to the other based on their previous performances can earn more than 2.53% percent per month or 35% per year and the momentum effect is substantially strong in emerging markets with returns up to 2.41% per month or 33% per annum. For the international investor, we identify world risk factors, to our knowledge, first time in the literature. We find that higher profits for international momentum portfolios are mainly due to predictability from world macroeconomic risk factors. Notably, the results confirm the informational role of world industrial production.

What Drives Closed-End Fund Discounts? Evidence from COVID-19

Liang Ma (*University of South Carolina, US*)

Abstract

By exploiting the exogenous COVID-19 shock, this paper attempts to shed light on the closed-end fund (CEF) discount puzzle. CEF discounts increased after COVID-19, and I identify a causal role of sentiment in this effect. I show that COVID-19 reduced individual investor sentiment. Using the difference-in-differences (DiD) approach, I find that CEFs with higher sentiment beta or higher retail ownership experienced a larger increase in discounts after the COVID-19 shock. The DiD results are unlikely to be driven by alternative channels such as the liquidity, expense, payout, and leverage channels. Overall, the results support the sentiment-based explanation of CEF discounts.

Investors' Behavior in Cryptocurrency Market

Nikolas Topaloglou (*IPAG Business School, France & Athens University of Economics and Business, Greece*), Georgios Tsomidis (*Athens University of Economics and Business, Greece*)

Abstract

We develop and implement Stochastic Spanning tests for Cumulative Prospect Theory and Markowitz-type risk preferences. These are characterized by two mutually exclusive behavioral patterns, based on perception towards gains and losses. We apply the most prevalent biases in the Behavioral Finance literature and find that they have a significant impact on the construction of optimal portfolios and subsequently on their aggregate performance. We empirically test and find that the introduction of cryptocurrencies affects significantly the preferences of the two

investors' types. We assess this outcome behaviorally and provide the necessary justification of how cognitive biases take part in a investment-making process.

C1.3: Corporate Finance IV

Share Pledging and Corporate Securities Fraud

Lawrence Kryzanowski (*Concordia University, Canada*), Mingyang Li (*Zhongnan University of Economics and Law, China*), Sheng Xu (*Zhongnan University of Economics and Law, China*), Jie Zhang (*Trent University, Canada)*

Abstract

We examine the effect of insider share pledges on corporate fraud for 4,954 fraud disclosures by Chinese listed companies. We find a positive, causal relation between share pledges by controlling shareholders and detected corporate fraud that is statistically and economically significant. Firms whose controlling shareholders pledge have longer fraud detection cycles, commit frauds of various severity, and receive lighter punishment. Firms with pledging controlling shareholders who hold pledging contracts with multiple financial institutions or longer continuous pledge durations are more like to commit fraud. We examine two economic mechanisms through which firms with pledging controlling shareholders are more likely to commit detected fraud. Our baseline results are robust to the use of difference-in-differences, instrumental variables, and two types of covariate balancing. Our paper quantifies the real effects of a widespread yet under-explored corporate governance phenomenon on detected corporate fraud.

Inside the Boardroom: Evidence from the Board Structure and Meeting Minutes of Community Banks

Rosalind L. Bennett (*FDIC, US*), Manju Puri (*Duke University, NBER, US*), **Paul E. Soto** (*FDIC, US)*

Abstract

We explore a unique, proprietary dataset consisting of the board structure and meeting minutes for a sample of failed community banks. Community banks are an important part of the banking system especially for small businesses and local communities, yet their governance and board structure has received relatively little attention. We examine the structure of community bank boards, analyze where they allocate attention and how this attention shifts as the banks approach failure. On average, community banks have eight directors, who are predominantly independent, and typically hold monthly meetings. Using natural language processing, we analyze how attention is allocated during board of director meetings, and which board and bank characteristics are associated with specific topics. We find the boards are active monitors, with 54% of the meeting used to review financials, 24% for meeting logistics, 14% for business operations, and 9% for compliance. Meeting topics are associated with financial growth, supervisory actions, the local economy, and the composition of directors present in the meeting. As banks approach failure, banks experience a net outflow of directors and attention shifts towards monitoring capital and compliance, and away from board actions and financial statements.

Credit Market Conditions and the Design of Corporate Bonds

Douglas O. Cook (*University of Alabama, US*), **Robert Kieschnick** (*University of Texas at Dallas, US*), Rabih Moussawi (*Villanova University, US)*

Abstract

Prior research provides limited insights on the relationship between credit market conditions and the design of new corporate bond issues. We find that short-term Treasury bill rates, the term spread, and the credit spread significantly influence the size of a new bond issue, its term-to-maturity, seniority, convertibility, callability, putability, and whether it has a fixed or variable rate. We also find novel evidence that the increasingly popular “covenant-lite” bonds tend to be issued by R&D intensive firms, which are more inclined to issue variable rate and longer-term bonds. Finally, we find the design of bonds issued by low-credit-risk firms differs significantly from those of high-credit-risk firms especially during bank credit crunches.

C1.4: Financial Markets, Institutions and Money I

Effect of Financial and Institutional Ecosystems on Startup Mergers and Acquisitions

Saurabh Ahluwalia *(University of New Mexico, US)*, Sul Kassicieh *(University of New Mexico, US)*

Abstract

The conventional wisdom has maintained that being in proximity to entrepreneurial ecosystems helps startups to raise financing, develop and grow. In this paper, we examine the effect of a major component of an entrepreneurial ecosystem- financial or venture capital clusters on the exit of a startup through mergers and acquisitions (M&A). We find that the presence of a venture capitalist in a venture capital (VC) cluster is a major success factor for M&A exits. Location of startups in the top VC clusters did not turn out to be significant for success. Our results are robust to different specifications of the model that use different time periods, types of success, reputation of VC, industry and the quality of the startup company. Our results provide evidence for VCs, startups and policy makers who want to better understand the components of entrepreneurial ecosystems and their relation to the M&A exits of startups.

Leveraged ETFs: The Truth of Amplified Return

Karen Wong (*The Open University of Hong Kong, Hong Kong*), Tao Chen (*University of Macau, China*), Masayuki Susai (*Nagasaki University, Japan)*

Abstract

An Exchange-traded Fund (ETF), which tracks an index and trades similar to a stock, was once a financial market innovation. In contrast to traditional ETFs, the leveraged ETFs (LETFs) use derivatives and active trading strategies to target a multiple return on the underlying index. The objective of LETFs is obviously different from that of traditional ETFs. Thus, does this difference mean that LETFs repeat the norm of traditional ETFs? In this study, 46 LETFs from the U.S., Canada, France, Germany, Korea and Japan are examined. It is found that most inverse LETFs have negative tracking error and skewness. Furthermore, the variances of LETFs via the GARCH(1,1) and MS-GARCH models are examined. For LETFs, under the same underlying index, the probability distributions in different tracking error regimes are different. This result shows that active management affects the LETF, ignoring the same underlying index and target returns. Applying the MS-GARCH models, we find that the volatility changes along the regimes for the LETFs with the target returns of -2x and over a long history.

Does Equity Mutual Fund Factor-risk-shifting Pay off? Evidence from the US

Cesario Mateus (*Aalborg University, Denmark*), Sohan Sarwar (*University of Greenwich, UK*), Natasa Todorovic (*Sir John Cass Business School, UK)*

Abstract

In this paper, we assess the relationship between risk-shifting of mutual funds, measured as benchmark-adjusted factor-based investment style change following a structural break, and their risk-adjusted performance. We isolate only the breaks in style risk beyond those embedded in the funds' benchmark index to eliminate any natural style risk changes resulting from varying company fundamentals over time. We group style risk changes into extreme (style rotation), moderate (style drifting), and weak (style-strengthening/weakening) and assess which investment style category is most profitable to shift in to and out of. Our findings show that funds that exhibit breaks generate overall better risk-adjusted performance than those that do not. Funds that are most successful in risk-shifting have both statistically and economically distinct risk-adjusted performance, make shifts towards small/large/value/growth style combinations rather than mid-cap and blend style, exhibit breaks less frequently and has more moderate risk-shifts than funds that are unsuccessful.

C2.1: Corporate Finance V

The Mitigation of Reputational Risk via Responsive CSR: Evidence from Securities Class Action Lawsuits

Daewoung Choi (*Louisiana State University at Shreveport, US*), **M. Tony Via** (*Kent State University, US*), Douglas O. Cook (*University of Alabama, US*), Weiwei Zhang (*James Madison University, US*)

Abstract

We examine the effect of securities class action litigation on the strategic production of CSR as an ex-post damage control instrument (responsive CSR). Net CSR scores increase by 53% on average after a filing and are primarily

driven by greater community and diversity strengths. Our study is the first to provide evidence of a strategic duration for responsive CSR. Using hand-collected data to supplement our main dataset, we show that positive CSR increases in two distinct periods - first, immediately around the trigger event to maintain ESG scores and reduce media bias, and then beginning several months later where it rises, remains elevated until stakeholders determine penalties, and then afterwards significantly declines. The use of responsive CSR is concentrated in urban or liberal-leaning states and in firms with higher ESG and director reputational risks.

Time-Series Factor Modeling and Selection

Michael Michaelides (*Allegheny College, US*)

Abstract

A parametric time-heterogeneous Student's t Dynamic Linear Regression model designed to explicitly capture all the systematic information exhibited by stock returns is proposed. Altered for time-series factor modeling, the model incorporates deterministic orthogonal trend polynomials that allow to capture variation in returns without directly identifying a set of robust factors at the outset. This modeling strategy can serve as a coherent basis for testing and selecting the relevant factors from a set of possible ones, as well as to indicate if any relevant factors are missing from an empirical asset pricing model. The use of the model and empirical strategy are illustrated using two empirical applications from the literature: Fama-French five-factor model and factor zoo.

Wealth creation through market concentration in the Asia-Pacific banking sector

Sascha Kolaric (*Technical University of Darmstadt, Germany*), Florian Kiesel (*Grenoble Ecole de Management, France*), Dirk Schiereck (*Technical University of Darmstadt, Germany*)

Abstract

We analyze the financial sector consolidation in the Asia-Pacific region using a sample of 581 bank merger and acquisition (M&A) announcements. We find that Asian bidders and their rivals benefit from consolidation, particularly in case of larger bidders and national transactions. Targets and their rivals likewise gain, with larger banks more likely targeted by Asian institutions. We also document significant increases in target countries' market concentration ratios following transactions. Contrary to most research focusing on the U.S. and Europe, we provide strong evidence that market power considerations are the dominant motivation behind bank M&As in the Asia-Pacific region.

C2.2: Financial Markets, Institutions & Money II

Bank Risk in Uncertain Times: Do Credit Rationing and Revenue Diversification Matter?

Ashton de Silva (*RMIT University, Australia*), Huu Nhan Duong (*Monash University, Australia*), My Nguyen (*RMIT University, Australia*), **Yen Ngoc Nguyen** (*St. Francis Xavies University, Canada*)

Abstract

We document a positive impact of economic policy uncertainty on bank risk. This association is stronger for larger banks or those with greater interest sensitive liabilities. We find two economic channels that influence the positive impact of economic policy uncertainty on bank risk. The “credit rationing” channel shows that economic policy uncertainty increases aggregate loan spreads, exacerbating both adverse selection and moral hazard problems leading to higher bank risk. The “revenue diversification” channel suggests that as economic policy uncertainty reduces bank profits from traditional interest-based products, banks diversify into other non-traditional activities, thereby increasing their instability. Overall, our findings highlight the importance of economic policy uncertainty on exacerbating bank risk.

How do Insider Trading Incentives Shape Nonfinancial Disclosures? Evidence from Product and Business Expansion Disclosures

Guanming He (*Durham University, UK*)

Abstract

Nonfinancial disclosures of product and business expansion planning occur frequently in practice and are an important vehicle by which managers convey corporate information to outsiders. However, little is known about how the opportunistic incentives of managers affect the choice of such nonfinancial disclosures. This study examines whether

managers make their nonfinancial disclosures strategically for self-serving trading incentives. I find strong and robust evidence to suggest that managers manipulate the timing and selectivity of their nonfinancial disclosures in an attempt to maximize trading profits. Specifically, managers tend to disclose bad (good) news on products or business expansion before purchasing (selling) shares. I also find that such strategic behavior is more evident when the expected price impact of the disclosures is greater and when the CEOs are more powerful. However, I do not find evidence that the strategic behavior is weaker for firms with high institutional stock ownership. Overall, my results contribute to understanding managers' strategic use of nonfinancial disclosures in fulfilling personal trading incentives, and should be of interest to boards of directors charged with the responsibility of monitoring and restricting opportunistic managerial disclosures and insider trades.

Credit Risk Sharing and Credit Market Regulation

Ajay Subramanian (*Georgia State University, US*)

Abstract

We analyze credit default swap trading and regulation in general equilibrium. The economy without CDS markets features firm default and underinvests when capital is below a threshold. For low aggregate risk, unregulated CDS trading leads to full bondholder insurance and efficient investment. The efficient allocation can be implemented via transfers. For intermediate aggregate risk, the unregulated CDS economy overinvests. A margin requirement on CDS sellers is necessary for efficiency. When aggregate risk is high, the CDS market breaks down. A margin requirement restores equilibrium and efficiency, but it must be maximally stringent and accompanied by a capital requirement on CDS sellers.

C2.3: Behavioral Finance III

Bad Reputation, not a Bad conscience: Religiosity and the Ethical Behavior of Firms

Saif Ullah (*Concordia University, Canada*)

Abstract

In this study, we reinvestigate the relationship between firm's ethical behavior and the local level of religiosity. Previous studies have found a linear and negative relationship between the two. However, we find that the relationship between local religiosity and firms' ethical behavior is not linear. Firms' ethical behavior, as measured by the fudging score (Dechow, Ge, Larson, and Sloan 2011) for accounting statements, increases as the level of local religiosity increases until around 51% of the local population is a religious adherent. After this point, the relationship becomes negative. We find a similar relationship between actual restatements and local religiosity. In other words, unethical behavior is highest when no group (religious or nonreligious) has a clear majority. We suggest outgroup prejudice as the antisocial factor that causes this nonlinear relationship.

Discrimination and Portfolio Decisions of Non-white Americans

Alessandro Bucciol (*University of Verona, Italy*), **Dimitra Papadovasilaki** (*Lake Forest College, US*)

Abstract

We use data from the Health and Retirement Survey to study the effect of discriminatory experiences on financial risk taking. We focus our attention on the perception individuals have after experiencing several discriminatory practices, and whether that treatment is due to their race, or due to a dimension of different reasons. We show that experiencing racial discrimination reduces the probability of holding stocks and bonds by 5.3% and 1.6% respectively. Most of the respondents that report to be racially discriminated against, are Non-White, and thus such experiences add to the racial wealth inequality. In general, being a Non-White American reduces the probability of holding stocks and housing property by about 10%. The intensity of holding stocks and housing property, is also negatively associated with the perception of being discriminated for multiple reasons.

Analysis of herding behavior in stock markets using machine learning algorithms

Taylan Mavruk (*University of Gothenburg, Sweden*)

Abstract

This paper examines the determinants of herding at both stock and individual investor level as well as studies the portfolio performance of herd vs. non-herd portfolios using machine learning algorithms. The disposition effect and the

attention effect seem to explain herding behavior at the stock level. At the investor level, portfolio value, portfolio return, firm size, liquidity and cumulative number of buys have the most feature important scores and thus the predictive power explaining widely used herding measures. Individuals who herd do not outperform neither market nor non-herd portfolios, suggesting that herding is a behavioral bias. Thus, such behavior destabilizes stock markets, creating temporary discrepancy in stock prices followed by reversals back to fundamentals. The most predictive factor in these performance tests is market risk premium and using equally weighted factors rather than value weighted factors seems to provide slightly better results in these analyses.

C2.4: Emerging Markets Finance I

Taming the "capital flows-credit nexus": a sectoral approach

Daniel Carvalho (*Bank of Portugal*), Etienne Lepers (*OECD*), **Rogelio Mercado** (*Asian Development Bank*)

Abstract

An important channel through which capital flows may lead to financial vulnerabilities is by fueling domestic credit booms, the so-called "capital flows-credit growth nexus". This paper makes two important contributions to the study of this nexus (i) it adopts a sectoral approach to the relationship between cross-border capital flows and domestic credit growth and (ii) it studies how different macroprudential and financial policies affect that relationship. Using novel datasets on results not only underscore the importance of a granular sectoral approach to identify the full range of connections between capital flows and credit growth, but also regarding the appropriate policy response. While, in general, macroprudential policies and FX-based measures are more suited to mitigate the impact of banking sector flows, capital controls are effective in the presence of NFC and OFC flows. What is more, within macroprudential measures, lending standards and measures specifically aimed at HH credit weaken the impact of inflows on HH credit; in turn, measures aimed at HH credit actually strengthen the relationship between NFC flows and NFC credit.

Why do Emerging Market Firms Issue Offshore Dollar Equity Linked Securities?

Rama Seth (*Copenhagen Business School, Denmark*), **Keerat Bhurjee** (*Shiv Nadar University, India*), Vishwanath S R (*Shiv Nadar University, India*)

Abstract

While depository receipts have attracted much scholarly attention, there is little research on the consequences of issuing foreign currency convertible bonds that account for a large fraction of issuance in global capital markets. We bridge this gap by examining FCCB issuance by Indian firms amounting to $22 billion during 2000-2017. We find that FCCBs could be delayed equity or cheap debt or relax capital constraints. However, issuers experience an increase in default probabilities, a rating downgrade and a deterioration in operating and stock performance. In line with this analysis, stock markets react negatively to the issuance of offshore convertibles.

Emerging Countries Sovereign Bond Spreads: Additional Factors Are at Play

Arjan Kadareja (*University of New York Tirana, Albania*), Ardita Todri (*Universiteti i Elbasanit, Albania*)

Abstract

In this paper we hypothesize that, besides credit ratings, some other factors are useful in explaining the variability of the sovereign bond rate spreads over some credit risk free rate. We employ an unbalanced panel data approach to explain some emerging Balkan (and non-Balkan) countries sovereign bond spreads over US government bonds rates. The model explains the variations in the credit risk premium by extending the set of explanatory variables beyond the sovereign credit ratings. We provide evidence that useful and economically as well as statistically significant explanatory variables are also the state of democracy, external financing needs and global crises such as the COVID-19 pandemic. We construct several dummy variables to properly include credit ratings as explanatory variables in the panel regression. This methodology avoids imposing unrealistic model restrictions by treating ordinal numbers, i.e. credit ratings, as cardinal.

The systemic risk in the dual financial system geared by competition stability/fragility nexus

Aamina Khurram (*University of Kent, UK*), Vasileios Pappas (*University of Kent, UK*), Abdullah Iqbal (*University of Kent, UK*)

Abstract
In this paper, we examine the empirical relationship between competition (proxied by Lerner index) and systemic risk (captured through ΔCoVaR) of conventional and Islamic financial institutions using dynamic panel GMM vector autoregressive (pVAR) technique. This approach allows for controlling the potential sources of endogeneity that are inherent in the competition-risk relationship. We use a sample of 376 financial institutions from 12 countries that had a dual banking presence (250 CFIs and 126 IFIs) over 2000 and 2019 years. We find significant evidence that competition undermines the systemic financial stability. Moreover, our results show that on average, the systemic risk of conventional financial institutions is higher than Islamic financial institutions and IFIs depict higher market powers than CFIs in the dual sector. This study significantly contributes to a better understanding of systemic stability driven by the competition levels among the diversified financial industry, by providing empirical evidence from an emerging market characterised by the largest dual financial sector in the world. A series of robustness tests confirms our results and the relationship holds during the expansive as well as recessive moments of the economy.

Friday, 29 October 2021

A2.1: Corporate Finance VI

When Independent Directors Talk, Do Shareholders Listen?

Qiuchen Ge (*Central University of Finance and Economics, China*), Xi Wu (*Central University of Finance and Economics, China*), Jason Xiao (*University of Macau, Macau SAR, China*), Hong Zou (*University of Hong Kong, Hong Kong SAR, China*)

Abstract
We examine under-studied questions of whether shareholders respond to dissenting votes of independent directors (IDs) and how shareholder response affects management's addressing of ID dissensions. Using director voting data from China (that are not disclosed in the U.S.), we find minority shareholders respond by casting more dissenting votes on proposals that received ID dissension, and the result is concentrated in firms with higher expropriation risk or when the dissenting IDs are more diligent or experienced. Concerns of the dissenting IDs are more likely to be addressed subsequently when shareholder response is stronger, through media scrutiny and regulatory actions, among others.

What can machine learning teach us about company valuation?

Bao Linh Do (*University of Technology Sydney, Australia*), Talis Putnins (*University of Technology Sydney, Australia & Stockholm School of Economics, Sweden*)

Abstract
We use kitchen-sink OLS and interpretable machine learning to examine the likely non-linearities in company valuation empirically. We find that biases arise from linear equity valuation model, when using the comprehensive list of variables from the financial statements. Linear models do not capture insightful interactions, such as the relationship between the book value of equity and earnings and the relationship between the growth and risk in determining value. Our decision tree shows that the most important value drivers are the book value of equity, earnings, growth and dividend. Decision tree outperforms linear model and analyst forecast of next 12-month price in the out-of-sample test.

Institutional Investor Distraction and Innovation

Xiaoling Pu (*Kent State University, US*), M. Tony Via (*Kent State University, US*), **Hua-Hsin Tsai** (*Heidelberg University, US*)

Abstract
Prior studies suggest institutional holdings provide stable funding for firm managers supporting long-term innovation (stability hypothesis). However, we hypothesize that the level of holdings can also proxy for the level of attention given by these institutions (attention hypothesis). We address this question and find that investor distraction reduces R&D and patent filings by 19.24% and 7.99%, respectively, and also reduces patent citations, value, and creativity. We find that distraction impacts institutional monitoring of the board and is concentrated in 1) firms owned by institutions providing beneficial monitoring and moderate attention before the shock and 2) industries facing low competition. We additionally find distraction affects information flow, as our results are concentrated in firms facing high labor mobility and high peer firm innovation (technology spillovers). Our results suggest institutional investor attention plays a critical role in the promotion of board advisory assistance and the spread of technical information between firms.

A2.2: Financial Modelling

Seasonality in Commodity Prices: New Approaches for Pricing Plain Vanilla Options

Carme Frau (*Complutense University of Madrid, Spain*), Viviana Fanelli (*University of Bari Aldo Moro, Italy*)

Abstract
We present a new term-structure model for commodity futures prices based on Trolle & Schwartz (2009), which we extend by incorporating seasonal stochastic volatility represented with of two different sinusoidal expressions. We obtain an analytical representation of the characteristic function of the futures prices, and we get quasi closed-form expressions for option prices using the fast Fourier transform algorithm. We price standard European options on Henry

Hub natural gas futures contracts using our model and extant models. We obtain higher accuracy levels than the extant models.

Volatility forecasting for the coronavirus pandemic using quasi-score-driven models

Astrid Ayala (*Francisco Marroquin University, Guatemala*), **Szabolcs Blazsek** (*Francisco Marroquin University, Guatemala*), Adrian Licht (*Francisco Marroquin University, Guatemala*)

Abstract
This is the first empirical study in the literature, in which the statistical and volatility forecasting performances of the recent quasi-score-driven EGARCH (exponential generalized autoregressive conditional heteroscedasticity) models are evaluated. Quasi-score-driven EGARCH models are compared with all relevant score-driven EGARCH models from the literature, and the asymmetric power ARCH (A-PARCH) and GARCH models. The following score-driven distributions are studied: Student's t-distribution; general error distribution (GED); generalized t-distribution (Gen-t); skewed generalized t-distribution (Skew-Gen-t); exponential generalized beta distribution of the second kind (EGB2); normal-inverse Gaussian distribution (NIG); Meixner distribution (MXN). All combinations of these distributions are used for (i) the distribution of the dependent variable, and (ii) the distribution which defines the quasi-score function updating term of the quasi-score-driven filters. Daily data are used for the Standard & Poor's 500 (S&P 500) index. We find that quasi-score-driven EGARCH is superior to score-driven EGARCH, A-PARCH, and GARCH. In-sample results are reported for the period of 2000 to 2020, providing evidence in favour of the quasi-score-driven EGARCH model for the last two decades. Out-of-sample forecasting results are reported for the period of the coronavirus pandemic for 2020, providing evidence in favour of the quasi-score-driven EGARCH model for a crisis period.

Fourier State-Space Model of Market Liquidity: The Chinese Experience 2009-2010

Peter Lerner (*Anglo-American University, Czech Republic*)

Abstract
This paper proposes and motivates a dynamical model of the Chinese stock market based on linear regression in a dual state-space connected to the original state space of correlations between the volume-at-price buckets by a Fourier transform. We apply our model to the price migration of executed orders by the Chinese brokerages in 2009-2010. We use our brokerage tapes to conduct a natural experiment assuming that tapes correspond to randomly assigned, informed, and uninformed traders. Our analysis demonstrates that customers' orders were tightly correlated - in the highly nonlinear sense of neural networks - with Chinese market sentiment, significantly correlated with the returns of the Chinese stock market, and exhibited no correlations with the yield of bellwether bond of the Bank of China. We did not notice any spike of illiquidity transmitting from the US Flash Crash in May 2010 to trading in China.

Forecasting electricity price under seasonal long-run dependence using hybrid models

Heni Boubaker (*IHEC of Sousse & IPAG Business School, France*), Nawres Bannour (*Université Alexandru Loan Cuza de Lasi, Romania*)

Abstract
Electricity prices are characterized by numerous complex features such as non-stationarity, non-linearity, most volatility, high frequency, mean reversion and multiple seasonality, which make forecasting complex. Nevertheless, an accurate price forecasting is indispensable and crucial to electricity market participants. To improve the prediction accuracy using each model's unique features, this research proposes a hybrid approach that combines the k-factor GARMA process, empirical wavelet transform (EWT) and the local linear wavelet neural network (LLWNN) methods, to form the so-called k-factor GARMA-EWLLWNN model. The performance of the proposed hybrid model is evaluated using data from Polish electricity markets, and it is compared with the dual generalized long memory k-factor GARMA-G-GARCH model and the individual EWLLWNN, to verify the robustness of our proposed hybrid model. The empirical results prove that the proposed hybrid method is the most suitable forecasting technique since it achieved a better forecasting performance and may be a solution for predicts electricity market.

A2.3: Risk Management

The Impact of Deposit Dollarization on Credit Dollarization: Evidence of Natural Hedging and Excessive Risk-Taking Channels

Jorge Pozo (*Central Reserve Bank of Peru, Peru*)

Abstract

This article aims to study the impact of deposit dollarization on credit dollarization through the natural hedging and the excessive risk-taking channels. We develop a theoretical model to help us to describe both channels, and how these determine the direction in which deposit dollarization might affect credit dollarization. It verifies that through the natural hedging channel deposit dollarization positively affects credit dollarization; while, through the excessive bank risk-taking channel deposit dollarization negatively affects credit dollarization. Using credit and deposit information at a regional level in Peru, we find evidence of these two channels, being the natural hedging channel the dominant. And we find that less credit market competition and high FX uncertainty diminish the positive impact of deposit dollarization on credit dollarization.

Some methods of pair selection in pairs trading

Jun Yu (*Henan University of Economics and Law, China*), **Peijun Yao** (*Henan University of Economics and Law, China*), Junjie Wang (*Henan University of Economics and Law, China*)

Abstract

Pairs trading literature is extensive and mainly focused on the pair selection methods. Several method-
ologies, such as Distance method, Co-integration method, Hurst exponent technology and HP method, have been proposed in existing literature. Each of these approaches has its own advantages and disadvantages. In this paper, a new pair stocks selection method for pair trading is introduced. This method not only considers the correlation of two candidate time series, but also uses the Hurst exponential technique to measure mean-reversion properties of time series. A simple pair trading strategy is designed to compare the new method and other existing selection approaches. Empirical results show that this new method is able to detect the relationship and mean-reversion than the traditional pair selection methods.

Nexus between financial hedging, performance, and firm value: Evidence from a sample of non-financial Asia-Pacific firms

M. Kabir Hassan (*University of New Orleans, US*), Islam Abdeljawad (*An-Najah National University, Palestine*), Mamunur Rashid (*Universiti Brunei Darussalam, Brunei*), Siti Nur Khoirunnisaa (*University of Nottingham Malaysia Campus, Malaysia*)

Abstract

Use of hedging and firm value (and performance) nexus has received mixed attention due to conflicting results that broadly consider firms from the U.S. and European contexts. This study investigates data from Asia-Pacific region to observe the interaction between use of hedging, value, and performance of non-financial firms. Results indicate hedging to be value enhancing irrespective of the three types of risks hedged: foreign currency, interest rate, and commodity price risk, having foreign currency ris as the strongest driver. This nexus, however, is weaker for commodity price risk. Several moderation and robustness tests also confirm that profitable, highly levered, and high growth companies use derivatives for hedging to a larger extent. We forward that both reactive and proactive approaches to hedging can be explained with respect to corporate intention to reduce “reputation risk”.

A2.4: Macro-Financial Linkages

Global Bank Linkages and Foreign Direct Investment

Thang Doan (*Banking Academy of Vietnam, Vietnam*)

Abstract

This paper investigates the effects of bank networks on foreign direct investment (FDI) using a country-pair data. The number of bank pairs connected through international bank lending from source to host country is used to measure the global bank linkages. The empirical results show a positive relationship between bank linkages and bilateral FDI stocks. We interpret this nexus as showing that bank linkages facilitate FDI by solving the asymmetric information caused by uncertainty, global financial crises, shocks in the host country or the distance in terms of financial market development (FMD) and culture between the source and host countries. Our results are robust when conducting a number of robustness

checks and controlling for the endogeneity problem. Our findings suggest that in order to attract FDI, governments should support cross-border bank investments.

Time-Frequency Liquidity Connectedness of Global Stock Markets

Hai Hong Trinh (*Massey University, New Zealand*), Muhammad Abubakr Naeem (*University College Dublin, Ireland*), Najaf Iqbal (*Anhui University of Finance and Economics, China*), Hung Do (*Massey University, New Zealand*)

Abstract
Liquidity impacts how quickly investors can open or close positions. In this paper, we study the global stock market liquidity connectedness over the period of 16 years containing various calm and stressful periods. We employ daily data to estimate the effective spreads in 36 major stock markets and apply time-frequency connectedness of Diebold & Yilmaz (2012) and Barunik & Krehlik (2018). European markets are mostly transmitters while Asians are the receivers of liquidity spillovers. Overall strength of short-run connectedness is greater than medium- and long-run. The spillovers significantly intensified during Global Financial Crisis of 2007-08 and the recent COVID-19 pandemic. Important implications for investors are further discussed.

Do sectoral Diversification Bring any Benefit to Investors during Financial Shocks: Evidence from the Dow Jones Islamic Emerging Equity Markets?

Abdelkader El Alaoui (*International University of Rabat, Morocco*), Amina Dchieche (*International University of Rabat, Morocco*), Btissam Zerhari (*Mohammed V University in Rabat, Morocco*)

Abstract
This paper investigates, through different time scales, the co-movement between Dow Jones Global Emerging Index and all the 16 sectoral Dow Jones Islamic World Emerging Markets indices namely: Automobiles & Parts, Basic Resources, Travel & Leisure, Chemical, Oil & Gas, Construction & Materials, Food & Beverage, Healthcare, Industrial Goods & Services, Media, Personal & Household Goods, Utilities, Technology, Telecommunications, Real Estate and Retail, encompassing the period from 19 September, 2003, to 17 December, 2020. The findings based on a combination of two wavelet approaches: The Wavelet Squared Coherence (WSC) and the Windowed Scalogram Difference (WSD) applied on Log-return and Beta, suggest a prevailing role of sectoral indices in shocks transmission as the latter are highly correlated and comoving with the Islamic stock markets in most of the time. This reduces the diversification opportunities and complementarity between the studied sectors and the Dow Jones Islamic Index. Interestingly and after 2015, the comovement amplitude decreases at low frequencies allowing for a possible diversification in the long term. This is in line with some past studies in which the diversification effect has been verified. Those Results are robust as there are confirmed through a second wavelet analysis which is Windowed Scalogram Difference (WSD). Our contribution is of interest to investors and fund managers to take benefit from the trends and scales of diversification effect by gearing their strategy towards long term horizons as the financial shocks can affect, when they hit, all the Islamic sectoral stock indices in the short term whatsoever their positions are.

B1.1: Dynamic of International Capital Markets I

Common Drivers of Commodity Futures

Tom Dudda *(Technische Universität Dresden, Germany)*, Tony Kleinb *(Queen's University Belfast, United Kingdom)*, Duc K. Nguyen *(IPAG Business School, France & International School, Vietnam National University, Hanoi, Vietnam)*, Thomas Walther *(Utrecht University, The Netherlands)*

Abstract
This paper analyzes potential return drivers for a large cross-section of commodity futures using mixed-frequency Granger causality tests. We find that (de-)financialization affects linkages of monthly-published economic indicators to commodity futures returns over time with dissipating impact in recent years. As our results strongly differ from traditional low-frequency Granger causality tests under temporal aggregation of futures returns, we show the economic value of accessing information at a higher frequency in an out-of-sample trading study. Our findings emphasize the importance of using mixed data sampling techniques to uncover relationships between macroeconomic variables and commodity prices.

The tale of two global crises: A time-frequency analysis of the flights-to-quality out of EM bonds to safe-haven US Treasury securities

Mariya Gubareva (*Polytechnic Institute of Lisbon, Portugal & SOCIUS-CSG, Portugal*), Umar Zaghum (*Zayed University, United Arab Emirates*)

Abstract

We study 2001-2020 flight-to-quality episodes, encompassing two planetary-scale crises: the Global Financial Crisis (GFC) of 2007- 2008 and the coronavirus-triggered global meltdown, addressing the time-frequency lead-lag nexuses between holding emerging markets (EM) debt and investing in the relatively risk-free US Treasuries. Wavelet coherency along with phase-difference approach is used. Our results reveal varying level of coherence between EM and US bond markets. They also evidence that the crisis caused by Covid-19 unlike the GFC, exhibits a faster recovery of credit spreads to the pre-crisis levels. We demonstrate that for EM debt investors, the US Treasury market serves as a safe-haven during both global crises.

Resilience of Islamic and Conventional Equity Markets in Turbulent Times

Maria Jahromi (*Australian National University, Australia*)

Abstract

How resilient are Islamic and conventional equity markets in turbulent times such as financial crises and periods of financial distress? Findings from a unique dataset of six countries suggest that the impact of a crisis on Islamic equity markets can be up to 79% lower during most financial crises and periods of financial distress due to lower leverage, a more conservative approach to risk management and an emphasis on ethics. Results are stronger during early stages of financial crises and for countries that are more directly affected by a crisis. These findings also hold during the early stages of a public health crisis such as the COVID-19 pandemic. Islamic equity markets are therefore relatively more stable during turbulent times related to financial crises and financial distress, although investors need to be cautious with Islamic assets during asset bubbles and apply appropriate risk management strategies.

B1.2: Banking Regulation and Financial Services IV

Excess remuneration, governance, and risk-taking in Islamic banks

M. Kabir Hassan (*University of New Orleans, US*), **Tastaftiyan Risfandy** (*Universitas Sebelas Maret, Indonesia*)

Abstract

We investigate the impact of remuneration of Islamic banks governance pertaining with the directors, Shariah supervisory board (SSB), executives, and CEO. Using the hand-collected data of dollar remuneration on those board members, we estimate their normal remuneration, and we find that all board types including the CEO are over-remunerated from USD 84,160 to 1,257,760. However, in further investigation, we find that the excess remuneration in the directors and SSB favors the Islamic banks particularly to lessen the risk-taking incentive. Our result highlights the importance of Islamic banks' two-layer governance system that has a role in preventing excessive risk-taking behavior. This is relevant with the theory of “efficiency wage hypothesis” and “optimal contracting approach” emanated in the agency theory literature. Our result suggests that the good design of remuneration for the directors and Shariah scholars will attenuate the agency problems in the context of Islamic banks. Regarding executives and the CEO, we do not find a significant impact of the excess remuneration. This is possibly because the Islamic banking industry faces a number of restrictions due to their presence as a heavy-regulated financial institution and voluminous Shariah requirements that have to be fulfilled in their operations.

The Impact of a Dual Banking System on Macroeconomic Efficiency

Ahmed Imran Hunjra (*Ghazi University, Dera Ghazi Khan, Pakistan*), Faridul Islam (*Morgan State University, US*), Peter Verhoeven (*Queensland University of Technology, Australia*), Mohammad Kabir Hassan (*University of New Orleans, US*)

Abstract

Whilst considerable research focuses on the impact of conventional banking development on macroeconomic efficiency and stability, few studies have examined how Islamic banking development contributes to economic outcomes. The rapid growth of Islamic banking around the globe has led to questions about the role it plays in the economy. In this paper, we examine whether Islamic banking acts as a substitute or complement to conventional banking in promoting macroeconomic efficiency in countries with a dual-banking system. Using a one-stage Stochastic Frontier Model

approach, we find evidence that similar to conventional banking, Islamic banking positively contributes to a country's macroeconomic efficiency. However, Islamic banking acts as a substitute to conventional banking, not as a complement in terms of contributing to efficiency. The results are robust to using credit and deposit ratios as proxies of financial development. The findings are consistent with the growing evidence of Islamic banking increasingly converging in its operations to conventional banking.

Regulatory arbitrage, shadow banking and monetary policy in China

Vo Phuong Mai Le (*Cardiff University, UK*), **Kent Matthews** (*Cardiff University, UK & University of Nottingham Ningbo China*), David Meenagh (*Cardiff University, UK*), Patrick Minford (*Cardiff University, UK*), Zhiguo Xiao (*Fudan University, China*)

Abstract

Regulatory arbitrage is a persuasive explanation for the rapid growth in shadow bank credit. In China, the distortions caused by government preference to state-owned enterprises (SOEs) and discriminatory lending by state-owned banks have created an environment for the development of shadow banks that lend to small and medium enterprises (SMEs). The episode of the 4 trillion RMB stimulus programme in the wake of the global financial crisis and the imposition of a loan-to-deposit ratio (LDR) cap of 75% in 2009-2015 gave an additional boost to the growth of shadow bank credit. It has been claimed that shadow bank credit varies contra-cyclically to regular commercial bank credit in response to monetary policy shocks, dampening the effectiveness of monetary policy. Here we argue that this claim is an episodic special case of micro-prudential regulation and not a general conclusion. This paper presents a model of the Chinese economy using a DSGE framework that accommodates a banking sector which isolates the effects of lending to SMEs by shadow banks. The model which is estimated by the method of indirect inference, allows for bank and shadow bank lending to affect the credit premium on private investment. We show that in general regular bank credit and shadow bank credit varies pro-cyclically with monetary policy but varies contra-cyclically when a LDR cap is imposed. The findings have implications for the policy of de-leveraging followed by China.

B1.3: Behavioral Finance IV

Volume, Disagreement, and Stock Momentum

Jianjian Jin (*British Columbia Investment Management Corporation, Canada*), Qunzi Zhang (*Shandong University, China*)

Abstract

This paper empirically investigates why stocks with higher trading volume tend to have higher momentum. Through both stock-level and portfolio-level analysis, we are the first in the literature to identify the disagreement effect, instead of the disposition effect, as the dominant factor driving the positive volume-momentum relationship. Furthermore, we find that the disagreement factor driving momentum is more likely related to systematic news than idiosyncratic news of stocks. We find that the volume-momentum association tends to vary with business cycles, in particular, it is stronger when recession risks tend to be high. However, we still find it hard to completely rule out the possibility that the association arise from behavioral biases. Finally, our results suggest that the factors driving the general momentum profitability are not necessarily the same as factors driving the cross-sectional momentum dispersion across stocks with different characteristics. We are the first in the literature to raise this critical point.

Do religious announcements conveyed by Imams affect stock prices in the Saudi Stock Exchange?

Turki Rashed Alshammari (*Université de Lorraine, France*), Jean-Noël ORY (*Université de Lorraine, France*)

Abstract

As the Saudi Stock Exchange is characterised by the domination of individual investors, we aim to study the impact of religious announcements conveyed by Imams on stock prices and investment decisions. These announcements are of two types: “downgrade announcements” (re-classifying firms from Sharia-compliant firms to non-Sharia-compliant firms), and “upgrade announcements” (re-classifying firms from non-Sharia-compliant firms to Sharia-compliant firms). In order to assess to what extent the religious factor is likely to affect the willingness to hold, purchase or sell financial securities, we first address a questionnaire to 427 individual investors. This survey demonstrates a high tendency to follow Imams' announcements. In a next step, we apply an event study methodology to Imams' announcements, and find a symmetrical response of stock prices, with religious downgrades (upgrades) being associated with statistically significant negative (positive) abnormal returns. This reaction is in line with the signal theory and information content hypothesis, indicating that Imams' announcements related to the “religious status of a firm” convey valuable information to the financial market.

Contracts, Collateral and Culture: Gender Effects in Bank Lending

Alexander Danzer (*KU Eichstätt-Ingolstadt, CESifo Munich, Germany*), **Christa Hainz** (*ifo Institute, CESifo Munich, Germany*), Stefanie Kleimeier (*Maastricht University, Open Universiteit, University of Stellenbosch Business School, Netherlands*), Shusen Qi (*Xiamen University, China*)

Abstract

We analyze gender differences in interest and default rates using unusually rich data on retail loans from a large bank in Vietnam - a country where women traditionally make financial decisions. After ruling out gender-specific differences in information and ex-ante credit risk, we show that women pay lower interest rates and default less often than men. We find, however, significant differences in gender gaps between collateralized and uncollateralized loans suggesting that the micro context of loan negotiations matters for interest rates. Exploiting historical differences between South and North Vietnam confirms that women pay lower rates in more matriarchal negotiation environments.

B1.4: Corporate Finance VII

Impact of pension payment distance on managerial conservatism: M&A choices and price effects

Lawrence Kryzanowski (*Concordia University, Canada*), **Yulin Nie** (*Hebei University of Engineering, China*)

Abstract

The literature supports that inside debt is positively associated with managerial conservatism. We show that payment distance (i.e., length to pay), which is negatively related with manager age, interacts with inside debt level in driving managerial conservatism. The finding by Yim (2013) that manager age is positively related to managerial conservatism is largely supported by the fact that young managers often hold inside debt scantly. We show that, in case of excessive inside debt, manager age becomes negatively associated with managerial conservatism in M&A choices and price effects and accounting conservatism as the effect of payment distance overwhelms Yim's effect.

Bondholder representatives on bank boards: a mechanism for market discipline

Isabelle Distinguin (*Université de Limoges, France*), Laetitia Lepetit (*Université de Limoges, France*), Frank Strobel (*University of Birmingham, UK*), **Phan Huy Hieu Tran** (*Université de Limoges, France*)

Abstract

We examine whether board representation of bondholders can be an effective market discipline mechanism to reduce bank risk, using a unique dataset combining information on bondholders and boards of directors of European listed banks. Our results show that the influence of bondholder representatives on the bank board significantly reduces bank risk without impacting profitability. The beneficial effect of this market discipline mechanism is stronger when bondholder representatives have regulatory experience and for banks with higher degrees of complexity. In contrast, the reducing impact on bank risk is smaller when bondholder representatives are related to shareholders and for banks with lower capitalization levels. Our study provides evidence that the recommendation to have bondholder representatives on banks' boards could be a valuable complement to safety-and-soundness supervision by bank regulators.

The influence of initial investor backing on post-IPO acquisition activity

Mattheo Kaufmann (*Technical University of Darmstadt, Germany*), Sascha Kolaric (*Technical University of Darmstadt, Germany*), Lennart Walter (*Technical University of Darmstadt, Germany*)

Abstract

Financial sponsors, in the form of venture capital (VC) or private equity (PE) investors, can significantly influence a firm's growth strategy. We test whether VC or PE backing at the time of a firm's IPO leads to different post-IPO acquisition strategies by using a sample of 1,341 US IPOs between 2001 and 2017 and 1,845 subsequent acquisitions by these newly public firms. We find that PE-backed newly public firms engage in almost three times as many acquisitions as VC-backed newly public firms and almost twice as many as non-backed ones. PE-backed firms are also more likely to engage in more transformative acquisitions as proxied by size, while VC-backed firms tend to increase their capex and R&D spending. Finally, we document positive short-term stock market reactions to acquisition

announcements of newly public firms, but only PE-backed firms that become acquirers following their IPO achieve significant, positive post-IPO long-run stock returns.

B2.1: Credit Risk Modelling I

Credit Risk Modeling in the Age of Machine Learning

Martin T. Hibbeln (*University of Duisburg-Essen, Germany*), Raphael M. Kopp (*University of Duisburg-Essen, Germany*), and **Noah Urban** (*University of Duisburg-Essen, Germany*)

Abstract

Based on the world's largest loss database of non-retail defaults, we perform a comparative analysis of machine learning methods in credit risk modeling across the globe. We identify substantial benefits in using machine learning methods, especially tree-based methods, frequently more than doubling the performance metrics, over both simple and sophisticated benchmarks that particularly consider the specific distributions of credit risk parameters. Superior predictive abilities across many dimensions are primarily attributable to nonlinear relationships between the features and the credit risk parameters traced by methods of the explainable machine learning toolbox. Finally, we highlight important differences regarding the nature of macroeconomic features and implications of the temporal order of defaults. Our results are robust to a battery of different specifications.

Predicting Loss Severities for Residential Mortgage Loans: A Decomposition Approach

Justin Rylie Tang (*Massey University, New Zealand*), David Woods (*Massey University, New Zealand*), David Tripe (*Massey University, New Zealand*), Hung Do (*Massey University, New Zealand*)

Abstract

Building meaningful yet accurate Loss Given Default (LGD) models has always been a challenge especially for residential mortgage loans, a dominant asset in many banks. We propose a novel approach to improve LGD modelling and prediction by decomposing loss realization into 3 stages: prior to collateral disposition (Stage 1), collateral disposition (Stage 2) and post collateral disposition (Stage 3). This is a meaningful structure which aligns with typical collection processes. Our application to the Freddie Mac dataset reveals the proposed methodology demonstrates improved performance for out of time predictions compared to widely used OLS regression and another benchmark (through R-square and RMSE) while highlighting a few key hidden drivers. Proposed models predict LGD of uncured impaired accounts more accurately. This leads to more effective risk management, more accurate bad debt provisions and likely less share price volatility for banks.

Sovereign default risk valuation using CDS spreads: Evidence from the COVID-19 crisis

Masayasu Kanno *(Nihon University, Japan)*

Abstract

We evaluate sovereign default risk in G7+5 countries under the novel coronavirus disease (COVID-19) crisis in 2020. A second COVID-19 wave has been spreading worldwide since the end of 2020. We first derive default risk parameters using sovereign credit default swap spreads and constant maturity treasury yields. In all countries except Canada, China, and South Africa, default probability and hazard rate curves peaked early in the first wave. Many COVID-19-related fiscal policies heighten sovereign default risk. Second, we explore two correlation-based networks associated with a metric distance. Weighted-degree centrality indicates that interconnectedness in the sovereign default risk network is larger than in the COVID-19 network. European countries play a central role in both networks. This study extends financial research on sovereign default risk management under a pandemic.

Market Structure, International banking and New Technology: case from the Loan Markets in the EU

Małgorzata Pawłowska (*Warsaw School of Economics, Poland*), Georgios P. Kouretas (*Athens University of Economics and Business, Greece*)

Abstract

The aim of this research is to investigate the impact of market structure and new technology on the grow of different type of bank loans (residential mortgage loans, corporate loans, consumer loans) in European Union in the context of microprudential and macroprudential policy instruments. Also, we try to investigate the impact of FinTech on the market structure the in the European Union banking sectors and further for the credit grow. We merge country level data with annual bank-level data, which are collected from the Orbis Bank Focus and Bankscope database. Bank-level data includes commercial banks, savings banks, and cooperative banks that were operating in the EU. Annual country-level data concerning macroeconomic situation, concentration of the banking sector and concerning FinTech are collected from Eurostat, European Central Bank, World Bank and IMF. We compare the credit market determinants of loans among two groups of European Union countries (the EU-17 and CEE-11). The group of EU-17 countries consists of: Austria, Belgium, Denmark, Finland, France, Greece, Spain, the Netherlands, Ireland, Luxembourg, Germany, Portugal, Sweden, United Kingdom, Italy, Malta and Cyprus. The group of CEE-11 countries consists of: the Czech Republic, Estonia, Lithuania, Latvia, Poland, Slovakia, Slovenia, Hungary, Bulgaria, Romania, Croatia. Using the methodology of panel regression this study finds the impact on new technology on the growth of loans for EU countries, in particular, for a consumer loans.

The effects of employee ownership on bank risk and profitability: Evidence from European Banks

Laetitia Lepetit (*Université de Limoges, France*), Phan Huy Hieu Tran (*Université de Limoges, France*), **Thu Ha Tran** (*Université Bourgogne Franche-Comté, France*)

Abstract

We investigate whether an increase in employee ownership may influence the risk-taking behavior and profitability of European banks. Our findings show that employee ownership (both executive and non-executive ownership) is an effective mechanism to limit bank excessive risk-taking without deterring profitability. The impact channel is through the reduction of bank credit risk. Furthermore, the relationship between employee ownership and bank risk is driven by share options, the presence of employee representatives on the board, and the type of employee ownership program that a bank adopts. To identify the causal effect of employee ownership, we use the long-term orientation index as an instrumental variable.

Does EU Regulation adequately address the tension between CCPs shareholders' and members' incentives?

Anastasia Sotiropoulou (*The University of Orleans, France*)

Abstract

The current EU regulatory regime on CCPs falls short in addressing the misalignment of incentives between CCPs' shareholders and clearing members. On the one hand, clearing members, albeit without ownership in the CCP, bear risks first. They are the ones that, according to the 2012 EMIR regulation, contribute to the mutual guaranty fund used to absorb the potential default of at least the two members to which the CCP has the largest exposure. Furthermore, in case the guaranty fund is exhausted, the CCP has the legal right to ask the non-defaulted members for additional cash injections. Despite bearing these risks, clearing members do not enjoy substantial governance rights: they merely participate in the risk committee of the CCP, whose role is, however, only advisory. On the other hand, shareholders are owners of the CCP and, as such, enjoy governance rights. Although they appoint the members of the board which sets the risk profile of the CCP, they do not bear final losses first, as in ordinary corporations. Not only do they not have substantial skin in the game when a clearing member defaults on its obligations, but they also, in case the CCP enters resolution, bear losses only after the clearing members. And if, by exception to this principle, the resolution authorities decide that shareholders should bear losses first, shareholders are entitled to compensation claims for violation of the "no creditor worse off principle", set out by the 2021 CCP Recovery and Resolution Regulation. It is however obvious that when the owners of a firm are not the ones bearing the risks, the firm is prone to moral hazard and excessive risk-taking. This can make the firm riskier, a riskiness that is further exacerbated when the firm is systemically important. The choice of the incentive structure of a CCP is therefore an important element when designing clearing structures: CCPs' owners should ensure adequate control over the risk management of the CCP and clearing participants should continue to trust CCPs and to centrally clear their transactions. Hence, the objective of this draft paper is to discuss a number of ways to improve the incentive setting and incentive structure of CCPs.

Absorptive capacities, FDI and economic growth in developing economy: A study in Indian context

Gupta Surbhi *(Indian Institute of Technology Delhi, India)*, Yadav Surendra *(Indian Institute of Technology Delhi, India)*, Jain Pramod *(Indian Institute of Technology Delhi, India)*

Abstract
Although much of the literature targets the direct impact of Foreign Direct Investment (FDI) on economic growth, this paper emphasizes the relevance of absorptive capacities by examining their indirect impact for an emerging economy like India. For the purpose, we employ the Autoregressive Distributed Lag (ARDL) method on the quarterly time series for the period 1995-2019. The results show that the FDI and economic growth link is indirectly influenced by the absorptive capacities, such as financial development, technological capability, institutional quality and trade openness. However, while examining the linear FDI-growth link, we note that human capital and infrastructure did not affect the association; while considering the nonlinearity in the nexus, we notably observe that all the absorptive capacities, including human capital and infrastructure, when interacted with FDI, had a positive impact on growth. In other words, FDI is able to spur growth only after the absorptive capacities exceed a certain level of threshold. From operational perspective, therefore, it is reasonable to infer that in order to construe FDI as a driver of growth, amelioration of absorptive capacities is crucial.

Analyzing the impact of government's responses to the Covid-19 pandemic on the Vietnamese stock market's performance: A sector-index approach

Thi Bich Ngoc Tran *(University of Economics, Hue University, Vietnam)*, Hoang Cam Huong Pham *(University of Economics, Hue University, Vietnam)*, Thanh Cong Bui *(University of Economics, Hue University, Vietnam)*

Abstract
This study aims at investigating the impact of the Covid19 pandemic and how government's intervention influences the stock market performance in Vietnam at the whole market level and especially at the sector-level. Panel data at the sector-level is obtained from 31 January 2020 to 23 July 2021 and divided into four different periods corresponding to the Covid-19 waves in Vietnam. GARCH(1,1) is used to predict the stock market volatilities. Additionally, we adopt the random effects model in regressing the panel dataset due to its suitability to time-invariant variables, with consideration of sector fixed-effect variables. The findings show that while stock market returns on Ho Chi Minh stock exchange (HOSE) do not witness a significant change before and during the pandemic, empirical result indicates a difference in stock market returns on Hanoi stock exchange (HNX) pre-Covid-19 and during the time of the pandemic. Additionally, stock market volatilities indicate an significant increase once the pandemic occurs in Vietnam on both stock exchanges. We also find that the Covid-19 pandemic impairs the stock market performance in Vietnam, resulting in lower stock market returns at the whole market level and also at sector level. Specifically, the magnitude of the Covid-19 influence weakens over time. More importantly, we find that the intervention of the Vietnamese government such as lockdown, school closures, entry restrictions significantly lessens the influence of the Covid-19 pandemic in the stock market, especially in the fourth period corresponding to the on-going wave of Covid 19. These results from this study might offer a useful reference for governors, investors and other scholars in future public policies and empirical research.

Do Project and Founder Quality Signals Always Matter? A Comparative Analysis of Equity and Reward Crowdfunding

Xiaohong Huang *(University of Twente, Netherlands)*, Kabirb Rezaul *(University of Twente, Netherlands)*, Nguyen Ngoc Thuy *(University of Twente, Netherlands)*

Abstract
This study provides the first-ever comparative analysis of the success factors of equity and reward-based crowdfunding. We find that online information signals related to both venture/project quality and entrepreneur/founder quality are important for the success of equity crowdfunding, whereas only the venture/project quality signals matter for reward-based crowdfunding. Our study illustrates the varying role of success factors that depend on the type of crowdfunding and provides a basis of further research to compare different forms of crowdfunding.

Bank’s Non-Performing Loans, Systematic Determinants and Specific Factors: New Evidence from Emerging Markets

Maryem Naili (*ISCAE- Casablanca, Morocco*), Younès Lahrichi (*ISCAE-Rabat, Morocco*)

Abstract
Nonperforming loans represent the main challenge that jeopardizes the steadiness of the banking sector. The purpose of this study is to explore the main determinants of banks' NPLs in emerging markets. To better understand the hidden aspects of these determinants, the current research employs a panel approach and a dynamic data estimates through system GMM using data of 53 banks listed in five MENA emerging markets between 2000 and 2019. This analysis is motivated by the recent economic changes surrounding the financial systems in emerging countries with the aim to provide new evidence and insights. The results show that NPLs can be explained mainly by macroeconomic variables and banks-specific factors with interesting differences in their quantitative impacts. This study has substantial theoretical and practical contributions. It shows strong evidence on the leading indicators of future problematic loans. The identification of these factors would help regulators address appropriate interventions, design ample credit policies and adopt adjusted prudential regulations. Further, it empowers the regulatory authorities with an in-depth understanding of NPLs' determinants, allowing them to place emphasis on risk management systems and procedures that minimize borrowers' default in order to avert future financial instability. Our findings underscore the necessity of closely monitoring bank-specific factors along with reinforcing country level mechanisms to reduce banks' credit risk.

B2.4: Corporate Finance VIII

Investors' perception of business group membership during an economic crisis: Evidence from the COVID-19 pandemic

Romain Ducret (*Université de Fribourg, Switzerland*)

Abstract
This paper examines how investors perceive business group membership in Korea during the COVID-19 pandemic. Evidence of a time-varying and heterogeneous value of affiliation emerges from stock price performance analysis. I find that investors discount business group affiliation during a market collapse, but are willing to pay a premium for affiliation during market recovery. Overall, this pattern is more pronounced for financially weak affiliates and large business groups. Results also show that business group membership alleviates investors' concerns regarding financial flexibility highlighting the role of internal capital markets as a substitute to external finance.

Product market competition, corporate governance, and tax avoidance: Evidence from UK listed firms

Modawi Fadoul (*Swansea University, UK*), Sabri Boubaker (*Swansea University, UK*), Xicheng Liu (*Swansea University, UK*)

Abstract
Motivated by prior investigation on product market power and tax avoidance, we examine how firm product market competition impacts corporate tax avoidance using a firm- level sample of 350 UK FTSE listed firms. Our findings indicate that low competition increases product market competition, which increases firm tax aggressiveness and leads to more significant firm tax reductions. In additional analyses, we show that the effect of product market competition on tax avoidance is more pronounced for firms with higher exposure to the role of competition, deep financial distress and weaker governance practices. Moreover, we find that a negative and significant association between product market competition and tax avoidance is more certain for firms with robust governance mechanisms and more independent CEOs.

In-kind financing during a pandemic: Trade credit and COVID-19

Jagriti Srivastava (*Indian Institute of Management Kozhikode, India*), Balagopal Gopalakrishnan (*Indian Institute of Management Kozhikode, India*)

Abstract
Using a cross-country quarterly firm-level dataset, we empirically examine the impact of the COVID-19 pandemic on the trade credit channel of firms. In contrast to the impact on trade credit documented during earlier crisis episodes, we find that firms with poor credit quality obtain lower amounts of trade credit from their supplier firms during the quarters following the COVID-19 outbreak. The findings suggest that less creditworthy firms are credit rationed by their suppliers during a product market crisis, in contrast to the credit substitution documented between formal financial institutions and suppliers during a credit market crisis. Furthermore, we document that firms with better growth prospects and firms with better stakeholder relationships are able to obtain trade credit in the post-pandemic period, despite

their poor creditworthiness. Our empirical analysis supports the view that supplier financing is conditional on the product market conditions and is not always a generous substitute for bank credit.

Stewardship, institutional investors monitoring, and firm value: Evidence from the United Kingdom

Nghia Huu Nguyen (*National Central University, Taiwan*), Cheng Yi Shiu (*National Central University, Taiwan*)

Abstract

Stewardship encourages institutional investors to perform a monitoring function through cooperation and collective actions. The United Kingdom (UK) was the first country to publish a Stewardship Code. This motivates us to investigate the monitoring role of institutional investors by examining the association between ownership structure and firm valuation in the UK. We find that institutional ownership has a positive influence on a firm's one-year future valuation. Interestingly, the positive relationship identified is mainly driven by independent and long-term (ILT) institutional ownership and is stronger in the post-Code period. We also show that improvements in corporate governance practices in the UK disproportionately occurred in the post-Code period and are positively related to ILT institutional ownership. Finally, we demonstrate that acquirers with higher ILT institutional ownership make better acquisition decisions, enjoy better long-run performance post-acquisition and suffer lower goodwill write-offs in the years following the completion of the acquisition. Overall, the results are consistent with the view that ILT institutional investors contribute to monitoring and promote corporate governance practice due to the long-term investment horizons and arm's-length relationship they hold with investee companies. Our findings also support the argument that the Stewardship Code can effectively facilitate the monitoring activities of institutional investors.

C2.1: Banking Regulation and Financial Services VI

Taxes Under Stress: Bank Stress Tests and Corporate Tax Avoidance

Bill B. Francis (*Rensselaer Polytechnic Institute, US*), Raffi E. Garcia (*Rensselaer Polytechnic Institute, US*), **Jyothsna G. Harithsa** (*Rensselaer Polytechnic Institute, US*)

Abstract

We investigate the impact of mandatory transparency disclosure requirements on tax avoidance in US bank holding companies. We use the implementation of the Dodd-Frank bank stress tests as our identification strategy. Using regression discontinuity to exploit the quasi-experimental properties of the regulation around the bank-size policy thresholds, we find that bank stress tests have the unintended consequences of increasing aggressive tax planning and tax avoidance activities in stress-test banks resulting in a 0.48 to 1.3 percentage point reduction in cash tax paid relative to non-stress test banks. We find that tax uncertainty in the form of tax risk or volatility, political tax risk, and political risk sentiment also increases relative to non-stress test banks. Additionally, we find that banks with a large post-Dodd-Frank surge in tax avoidance tend to be riskier, as reflected by increases in risk densities, investments in high-risk-weight assets, and lending in riskier loans. Consequently, these banks experience increases in accounting, audit, and legal fees relative to other banks. Our results deviate from the literature by highlighting that more transparency can increase tax avoidance. These findings are consistent with tax minimization conditions in banking under added regulatory supervision.

Complexity and the default risk of mortgage-backed securities

Monica Billioa (*Ca' Foscari University of Venice, Italy*), Alfonso Dufourb (*University of Reading, UK*), **Samuele Segato** (*University of Reading, UK*), Simone Varottob (*University of Reading, UK*)

Abstract

"We study the impact that lower complexity in bank securitisations has on mortgage quality before and during the COVID-19 pandemic. We find that mortgages issued after the introduction of the new European regulation in 2018 that aims to reduce deal complexity are characterised by up to 0.10% lower delinquency rates before the COVID-19 crisis. Similarly, during the pandemic, while results are heterogeneous across countries and borrower characteristics, we show that mortgage securitisations that meet the new ""simplicity, transparency and standardisation"" (STS) criteria, have 0.21% lower delinquency rates.

Overall, our findings suggest that the new European securitisation regulation has contributed to improving the credit quality of the securitisation market in Europe."

Environmental Reputation and Bank Liquidity under Climate Change Risk

Daewoung Choi (*Louisiana State University, Shreveport, US*), **Yong Kyu Gam** (*University College Dublin, Ireland*), Hojong Shin (*California State University, Long Beach, US*)

Abstract

This study empirically investigates how a bank's environmental reputation affects its deposits and credit provision in regions with severe climate change risks. We find that banks with higher reputational risks for environmental issues tend to experience declining deposits in the regions exposed to severe climate change risks. Banks with a poor environmental reputation also reduce mortgage origination in the same regions. Such banks diminish liquidity creation if they have high deposit shares in the regions sensitive to climate change. This paper suggests that a bank's reputation for environment-related ESG practices can be an important source underlying bank liquidity in areas sensitive to climate change.

C2.2: Investment Funds II

Commonality in mutual fund flows: Worldwide evidence

Anh T. Nguyen *(University of Texas at Arlington, US)*, David Rakowski *(University of Texas at Arlington, US)*

Abstract

We examine cross-country correlations of mutual fund (MF) flows and the extent to which domestic MF markets worldwide are exposed to global trends in liquidity in the market for asset management. First, we examine whether the United States (US) leads or influences other domiciles' MF flows. Second, we characterize the extent to which individual countries' MF flows are associated with global MF flows. We then examine the country level characteristics that are associated with exposure to, or segmentation from, global liquidity trends. Unlike underlying security markets, we observe no association between US MF flows and flows in other domiciles. However, we do observe strong exposures to global liquidity trends in most markets. Country-level analyses show that exposure to global liquidity is linked to a country's level of economic development, business integrity, political stability, and status as an offshore financial center.

The Investment Style Drift Puzzle and Risk-Taking in Venture Capital

Lukas Koenig *(University of Hohenheim, Germany)*, Hans-Peter Burghof *(University of Hohenheim, Germany)*

Abstract

Limited partners allocate capital into venture capital funds with the expectation of a risk- return profile matching the fund's investment style in terms of startup investment stage, location and industry. This paper draws a connection between style drifts in these three dimensions and the connected risk-taking attitude of the general partner. By analyzing a sample of 31,521 investments with respect to the motivation for style drifts, this paper seeks to answer whether style drifts are deliberate risk-shifts or happen out of competitive pressure. The results suggest that venture capitalists increase risk, when they have strong past performance and public markets are bullish in order to make the most of the balance of compensation and employment incentives. This balancing most likely constitutes an agency conflict between limited partners and general partners. Further, results show that most risky style drifts have a negative impact on the probability of a successful exit even after controlling for performance persistence and endogeneity. Finally, the findings show that aggregate style drift has a negative effect on a fund's performance measured as its exit rate.

Active Mutual Funds: Beware of Smart Beta ETFs!

Thanh Dat Le (*Auburn University, US*)

Abstract

Smart beta ETFs have gained tremendous prevalence among investors in recent years. This study provides empirical evidence that a proportion of this fast-paced growth can be attributed to the investor migration from closet factor active mutual funds to smart beta ETFs. Using a comprehensive sample of US domestic equity active mutual funds and smart beta ETFs from 2000 to 2019, we find that smart beta ETFs offer higher returns and factor exposures at lower fees than closet factor funds. Therefore, investors replace closet factor funds with smart beta ETFs. The replacement

impact intensifies with investor sophistication and market share of smart beta ETFs. Our findings illustrate the dynamic changes in investor preference towards investment products that bring similar or greater benefits at a lower price.

C2.3: Behavioral Finance V

The evolution of consumption inequality and risk-insurance in Chile

Carlos Madeira (*Central Bank of Chile, Chile*)

Abstract

Using micro survey data, I show that consumption inequality fell substantially in Chile since 1987. This evidence is consistent with the improvement in households' access to financial products and the strong reduction in income inequality and real interest rates. Consumption inequality between and within groups fell substantially over the last 35 years, especially for within groups. This shows that the Chilean households are now much less impacted by temporary fluctuations in income and other idiosyncratic events. Estimating a standard consumption model, the results reject both the autarky and the full risk sharing frameworks. It is found that for services and non-durable goods, consumption is almost half-way between autarky and full risk-sharing. However, purchases of Semi-Durables and Durables goods are strongly affected by income fluctuations. Medical, insurance, and other financial product expenses are also strongly affected by income fluctuations.

Bank connectedness and investors' sentiment

Maria Miruna Pochea (*Babeș-Bolyai University, Romania*), **Mihai Nițoi** (*Romanian Academy, Romania*)

Abstract

This paper explores the connectedness based on the idiosyncratic return and volatility among the G-SIBs and O-SIIs coming from 23 European countries, and controlling for the impact of the U.S. G-SIBs. Furthermore, we propose an alternative systemic risk measure based on sentiments and we compare it with bank connectedness. The findings show that the banks in developed European countries form a large network, alongside the U.S. banks, while banks in European catch-up countries are gathered in their own clusters. The spillovers received by the European banks from the U.S. banks are considerably higher compared to the spillovers received by the U.S. banks from the European banks. The banks networks unveil the particularities of each crisis. The analysis of the time-varying nature of the spillover and sentiment indices reveal that TRMI financial sentiment index could be a suitable proxy for the systemic risk. Finally, we notice that the idiosyncratic return shocks are more prone to spread contagion, while the common component of the systemic risk prevails in terms of volatility.

Investor attention or remaining in office? CEOs can't always get what they want

Mateusz Czerwinski (*Uniwersytet Szczeciński, Poland*), Katarzyna Byrka-Kita (*Uniwersytet Szczeciński, Poland*), Agnieszka Preś-Perepeczo (*Uniwersytet Szczeciński, Poland*), Tomasz Wiśniewski (*Uniwersytet Szczeciński, Poland*)

Abstract

Even if some "business professors and writers believe that the American obsession with who sits at the top of the organizational chart has gone much too far" (Collingwood, 2009), there are many reasons for agreeing with Finkelstein et al. (2009) who claim that CEO appointments could be a critical (momentous) corporate event. We investigate the influence of investors' attention on trading volumes around CEO appoint announcements. Using a hand collected sample of stocks listed in the Polish capital market over the period 2000-2015, we proved the differences in trading behaviour around CEO appointment announcements. Our findings confirm results of the previous studies demonstrating that investors generally neglect the appointment of the current CEO for the next term of office. We contribute to the existing literature identifying an important moderating effect of investor trading strategy and providing the evidence that price movements and shocks before the CEO reappointment influence trading volumes. Our paper highlights the impact of calendar anomalies on trading volumes on the days when CEO appointments are announced, which to our best knowledge was a previously ignored factor. We suggest that the 'Sell in May and go away' trading strategy can be included in the future studies analysing the phenomenon of investor attention. Finally, a CEO remaining in office after the long-term rise in stock price ends is a sufficient cause to create trading pressure in investors.

A Predictive Model of Sovereign Investment Grade using Machine Learning and Natural Language Processing

Maria Victoria Landaberry (*Banco Central del Uruguay, Uruguay*), Kenji Nakasone (*Banco Central del Uruguay, Uruguay*), Johann Perez (*Banco Central del Uruguay, Uruguay*), Maria Del Pilar Posada (*Banco Central del Uruguay, Uruguay*)

Abstract
Rating agencies like Moody's, Standard and Poor's and Fitch rate sovereign assets based on mathematical analysis of economic, social and political factors and expert judgment. According to the rating, sovereign can be classified as having investment grade or speculative status. Having an investor grade is important as it reduces the cost of financing and expands the pool of potential investors in an economy. In this paper we want to predict whether a sovereign has investment grade status using macroeconomic variables and text analysis variables obtained from the reports issued by Fitch between 2000 and 2018 using natural language processing techniques. We use logistic regression and a series of alternative machine learning algorithms as k-nearest neighbors, support vector machine, classification and decision trees and random forest. According to our results report's sentiments, captured by the uncertainty index is statistically significant to predict investment grade status. When comparing the different algorithms random forest has the best predictive performance out of sample when the independent variables are referred to the same year and random forest and k-nearest neighbors have the best predictive performance when the independent variables are referred to one year before in terms of f1-score and recall

Credit Rating Prediction: An Appropriate Model for Small, Medium and Large Firms in Vietnam

Quoc Hai Pham (*University of Economics and Finance Ho Chi Minh City, Vietnam*), Diep Ho (*Vietnam National University, Vietnam*), Khandaker Sarod (*Swinburne University of Technology, Australia*)

Abstract
Over time, the accuracy of credit rating models has improved in two main directions: (1) independent variables, which fall into four main categories of financial indicators, market indicators, firm characteristics indicators and macroeconomic indicators (Altman and Sabato 2007; Psillaki, Tsolas and Margaritis 2010; Wu, Gaunt and Gray 2010; Duan, Sun and Wang 2012; Jones, Johnstone and Wilson 2017; Pham, Do and Vo 2018); and (2) predicting methodology, which is also frequently updated based on the development of technology (Baesens et al. 2003; Huang et al. 2004; Desai, Crook and Overstreet 1996; Lee and Chen 2005; Lee et al. 2006). Besides, most of the literature in the credit rating field use the dependent variable as either 'default' or 'non-default' (two classes), but, Chai et al.'s (2019) research classified the credit rating into nine classes, giving more informative and better credit ratings compared to two-class dependent variable. However, the major challenge is that these models require significantly more data and the more sophisticated methodologies than the two classes model. In addition, the machine learning models such as Artificial Neural Networks (ANN) and Support Vector Machines (SVM) are arguably the most robust models in term of predictive accuracy, but these models are hard to interpret and apply because of their analysis process (Jones, Johnstone and Wilson 2017; Sigrist and Hirnschall 2019). This study builds a credit rating model of small, medium and large firms in Vietnam in the period 2015-2018. The accuracy of credit rating models varies significantly based on country and period and they have needed updating and rebuilding since Altman's Z-score model (1968) (Altman and Sabato 2007; Tsai et al. 2009; Altman et al. 2017; Jones, Johnstone and Wilson 2017; Pham, Do and Vo 2018). In this research, the dataset includes 39,162 small, medium and large firms in Vietnam in the period 2008-2018 from the Orbis database. Besides, the credit rating models in this study includes ten classes of dependent variable which use three main methodologies such as Artificial Neural Networks (ANN) to maximise the predictive power of the model; Multiple Discriminant Analysis (MDA) and Ordered Logistics Regression (OLR), the latter two for comparison purposes. The result shows that the accurate rate of the ANN model is 61.11 per cent, which is the highest accuracy rate compare to the OLR of 55.43 per cent and MDA of 53.1 per cent.

Prediction of banking stress episodes in EU using macroeconomic imbalance scoreboard indicators

Petr Jakubik *(European Insurance and Occupational Pensions Authority & Charles University in Prague)*, **Bogda Gabriel Moinescu** *(National Bank of Romania & Bucharest University of Economic Studies, Romania)*

Abstract
This paper highlights a substantial potential for most of the macroeconomic imbalance scoreboard indicators in signaling not only economic instability risks but also banking stress episodes within the European Union. It subsequently emphasizes the opportunity of developing a banking stress alert satellite for the macroeconomic imbalance procedure

(MIP), which is currently employed by the European Commission for its general economic assessments of the EU member states. To this end, the study employs adapted indicative thresholds for selected MIP indicators based on rating techniques and well-performing multivariate configurations. It further emphasizes their complementarity with core financial soundness indicators compiled by the International Monetary Fund, both directly through combined multivariate models and indirectly by integrating institutional-based models as interdimensional synthetic indices. These mixtures not only reduce the model risk, but also contain the variability of estimated crisis probability. Finally, in contrast with the usual decisional framework based on a singular threshold, this paper puts forward the merits of a more granular staged approach, which involves rating scales with several risk categories.

A1.1: Banking Regulation and Financial Services VII

Banking Efficiency Matters: Evidence from the Covid-19 Pandemic

Ruchith Dissanayake (*Queensland University of Technology, Australia*), Yanhui Wu (*Queensland University of Technology, Australia*)

Abstract
Banking efficiency is an essential catalyst in reducing uncertainty during a crisis and stimulating post-crisis economic growth. The heterogeneity in pre-crisis banking efficiency explains the differences in uncertainty – measured using stock return volatility – across countries during the Covid-19 crisis. During the crisis, volatility is lower for countries with lower banking overhead costs and net interest margins than for their more inefficient counterparts. Effectual banking institutions are better equipped to supply the much-needed credit to the private sector during a crisis. We find that countries with pre-crisis efficient banking institutions are able to supply considerably more credit to corporations and households during the crisis. In addition, we show that countries with efficient banking institutions are associated with superior post-pandemic output growth based on economic forecasts. Our findings underscore the importance of better functioning banking systems in moderating some of the corporate losses and liquidity stresses during an unanticipated economic crisis.

The Role of ESG Performance in Bank Efficiency: International Evidence

Ahmed W. Alam (*University of New Orleans, US*), Hasanul Banna (*University of Malaya, Malaysia*), M Kabir Hassan (*University of New Orleans, US*)

Abstract
We empirically examine the role of environmental, social, and governance (ESG) activities in banks' efficiency. Based on a large sample of international banks over the period 2011 - 2019, we employ a data envelopment analysis (DEA) approach to estimate bank efficiency scores. Controlling for bank- and macro-level variables, our baseline Tobit regressions suggest that high ESG performance reduces banks' efficiency. However, the relationship between ESG performance and bank efficiency becomes positive at high levels of ESG scores. We find consistent results for all three dimensions of ESG, banks with different sizes and specializations, and for banks from all regions except Africa and Europe. We also separately control for country-level governance indicators and find consistent results for each indicator. In addition, we develop a governance index based on the governance indicators and find similar results for banks both below and above the average index score. Our results survive a couple of robustness tests based on Simar and Wilson two-stage efficiency analysis and fractional Probit regressions.

Bank Financial Reporting Opacity and Uninsured Deposit Financing

Ngan Nguyen (*University of the District of Columbia, US*)

Abstract
This study examines the association between bank financial reporting opacity, measuredby delayed expected loss recognition, and banks' uninsured deposit financing. Inparticular, following calls from prior research, I investigate the effects of reportingopacity on this critical source of bank financing, which represents over $5 trillion at 2019. Using quarterly regulatory filings of federally-insured US commercial banks, Iconfirm a predicted negative association between uninsured deposits and larger delays inexpected loss recognition. I also document expected cross-sectional variations, with thisnegative association accentuated for not too-big-to-failbanks(whichlack the implicitgovernment guarantees of too-big-to-fail banks), and some evidence for not publicly-tradedbanks(which have lower overall reporting and disclosure quality relative topublicly-traded banks). My findings contribute to the extant literature on bank opacity,uninsured deposit financing, and the consequences of loan loss provisioning bysuggesting delayed expected loss recognition affects uninsured deposit financing.

Do Institutional and Managerial Ownership moderate the relationship between Asset Preference and Financial Performance?

Muhammad Ramzan (*University of Malaya, Malaysia*)

Abstract

This study examines the moderating role of institutional and managerial ownership in the relationship between asset preferences and firm performance over the firm life cycle. This moderating relationship is analyzed using S&P 500 firms' ten-year data from 2010-2019. Panel regression analysis results show that: First, ownership structure significantly moderates the relationship between asset preferences and firm performance. Second, this relationship varies across different life cycle stages of the firm. Third, institutional ownership positively moderates this relationship, and its effect is more visible in the maturity, shakeout, and decline stage. Fourth, managerial ownership positively moderates long-term assets relationship with performance and negatively moderates current assets relationship with firm performance. Lastly, both institutional and managerial ownership enhances the magnitude of the relationship between asset preferences and firm performance and reverses the relationship's direction. This study has a practical implication for the firms that intend to change their ownership structure and investors who want to make investment decisions.

Revisiting Noise - Fischer Black's Noise at the Time of High-Frequency Trading

Gianluca Virgilio (*Universidad Católica Sedes Sapientiae, Peru*), Manuel Ernesto Páz Lopez (*Universidad Nacional de Tumbes, Peru*)

Abstract

Economists have analyzed noise trading from various viewpoints in the past and they drew the most diverse conclusions. Noise trading has been interpreted as a facilitator of market liquidity, as a source of inefficiency, as a driver of easy money for more informed traders or for herds of uninformed ones. In an environment populated by High-Frequency traders most financial theories need to be revisited, the theory about noise trading being one of them. By making use of a computer-based Agent-Based Model, this paper creates a scenario where a shock breaks the equilibrium and only some market participants receive the information. The results is that old-fashioned parameters, as informedness, arbitrage, market efficiency and herding behavior no longer carry the same meaning as they used to. The focus shifts from searching the mythical 'true value' of a security to executing order with the shortest possible latency, to exploit trading opportunities and maximize profits.

Currency Risk Premia Determinants

Sugiharso Safuan (Department of Economics, Faculty of Business and Economics, Universitas Indonesia – INDONESIA), **Rangga Handika** *(Institute for International Strategy, Tokyo International University JAPAN)*

Abstract

We develop asset pricing models to explain the currency risk premia with the finance and economic variables. One of the explanatory variables is the idiosyncratic factor of each country's financial markets, estimated by the AR(1) process. Examining six Asian, two Oceanian, two American, two African, and three European countries, we find that 1. Asian investors prefer domestic financial markets unless there is a clear premium in the foreign markets, 2. Regions that exhibit a weak relationship between domestic economic variables and currencies tend to be heavily affected by global factors, 3. The global factor could be an interaction among countries in a certain region, and 4. The financial market tends to be a more important determinant rather than economic variables.

Does the public pension fund as an asset-owner investor improve CSR? - who monitors the institutional investors

Yoko Shirasu (*Aoyama Gakuin University, Japan*), Katsushi Suzuki (*Hitotsubashi University, Japan*), Sadok El Ghoul (*University of Alberta, Canada*)

Abstract

The Japanese public pension fund (GPIF) changed its investment policy for corporate social responsibility (CSR) activities in 2015 by signing a Principles for Responsible Investment (PRI) as the responsible asset-owner to comply with stewardship. The GPIF leads Japanese investors as asset-owner, which is the top of the investment food chain. The GPIF's exogenous policy change, caused by compliance with the new regulation, promoted CSR activities as the political goal. We examined the impact of this exogenous GPIF policy change on corporate CSR activities. The results show that GPIF-mandate investors lead the firms to promote CSR activities actively. Notably, we found that after the GPIF policy change, the GPIF-mandate investors, especially long-term investors with significant and higher equity stakes, promote better CSR activities. The GPIF takes the public social role as the asset-owner through mandate-investor monitoring.

Local labor match and corporate investments

Nasim Sabah (*Framingham State University, US*), **Linh Thompson** (*University of Texas at El Paso, US*)

Abstract

We exploit new flight connections from small cities to international airports as a quasi-natural experiment to study the effect of local labor match on corporate investment rates. We find that capital expenditures as a percentage of book assets are higher for firms with human capital profiles that are more similar to those of the local workforce. Our findings support the hypotheses that better local labor match makes it easier to hire well-matched skillful local workers, and increase investment reversibility. Thanks to lower labor costs and higher ex-ante investment incentives, firms increase corporate investment rates.

Post Earnings Announcement Drift in China: Evidence from the Shanghai-Hong Kong Connect

Hao Yarong (*Southeast University, China*), Dong Bin (*Southeast University, China*)

Abstract

This paper investigates the changes in post earnings announcement drift (PEAD) in fragmented markets after the Shanghai-Hong Kong Connect and reveals the potential cause. Our findings show a significant decline in PEAD in the mainland China market and an increase in the Hong Kong market. We examine these opposing results and find that the changes in PEAD are jointly affected by limited investor attention and limits to arbitrage. Price parity deviations and their changes are negatively associated with the proxies of investor distraction while positively related to proxies for arbitrage risk. These results are consistent with the mispricing hypothesis. We further test the effect of the information asymmetry as the possible channel through which investor distraction and limits to arbitrage affect PEAD due to the informed trading, thereby revealing that information asymmetry is a potential cause of changes in PEAD in a multimarket setting.

Commodity price exposure and firm investment: Evidence from China

Baochen Yang (*Tianjin University, China*), **Peixuan Geng** (*Tianjin University, China*), Ying Fan (*Beihang University, China*)

Abstract

Based on Word-Frequency Statistics of annual financial reports, this paper uses the data from 2009 to 2019 for firms exposed to commodity price risk in China and explores the effect on the firm investment in the presence of commodity financialization. The results indicate that commodity financialization brings a new price exposure, which has a negative effect on firm investment. The risk-hedging channel is likely underlying mechanism through which commodity price exposure has a negative effect on firm investment. Cross-sectional tests show that this negative relation can be weakened for firms that are in the intensive industry, that have less market power, and that have less concentrated customers. Further analysis shows that the negative relation is more pronounced in the pre-financial crisis period, in the year with higher economic policy uncertainty, and in the year with downward economy. Our results extend existing literature regarding the economic consequences of commodity price volatility, which also have certain practical reference values for Chinese authorities.

A1.4: Corporate Social Responsibility

Target investment level, its determinants and the impact of corporate social responsibility on speed of adjustment: Evidence from India

Dahiya Monika *(Indian Institute of Technology Delhi, India)*, Singh Shveta *(Indian Institute of Technology Delhi, India)*, Chaudhry Neeru *(Indian Institute of Technology Delhi, India)*

Abstract
We investigate the presence of a target level of investment, its determinants and the impact of corporate social responsibility (CSR) on the speed of adjustment towards the target in case of deviations for a sample of firms listed on National Stock Exchange (NSE) for the period 2008-19. The results support the existence of a target level of investment and identify growth opportunities, firm leverage and return as factors positively affecting the target. The target is reported to be negatively affected by cash and age of the firm. High-CSR firms are found to adjust swiftly to their targets since such firms tend to deviate less and incur low adjustment costs. Only the environmental dimension of CSR seems to affect the firms' speed of adjustment in the current context. The positive association between CSR and adjustment speed is pronounced only in the post-mandate period. Also, CSR affects the speed of adjustment only when firms are operating above the target. The results of the study are not sensitive to robustness checks.

Does Mandatory Corporate Social Responsibility Regulation Matter to Promoters? Empirical Evidence from India

Satish Kumar (*IBS Hyderabad, India*), Geeta Singh (*IBS Hyderabad, India*)

Abstract
In this paper, we examine the relation between corporate social responsibility (CSR) and promoter ownership in India, the first country to legally mandate the CSR spending. We show a non-linear relation between CSR and promoter ownership which suggests that promoters start extracting private benefits of control at the expense of outside shareholders and reduce the investment in CSR only when their ownership crosses a threshold level of 52% approximately. We further show that the nonlinear relation between CSR and promoter ownership is more pronounced for business group firms than standalone firms, and for firms not following the Companies Act 2013 CSR mandate. Our results are robust to testing the CSR expenditure decision (to engage or not to engage in CSR) using the binary choice logit model. Our findings shed light at the idea of how promoters' incentive alignment should be proposed and followed to encourage a firm's social investment activities.

ESG Scores and the Response of the S&P 1500 to Monetary and Fiscal Policy during the Covid-19 Pandemic

Richard Gregory *(East Tennessee State University, US)*

Abstract
Examining the S&P 1500 stocks, the responses of the stocks to fiscal and monetary policy are found to differ due to E, S and G scores by the type of legislation. Non-Financial firms that manage environmental and governance risks better performed better over the pandemic Part of this was due to their high environmental and governance scores allowing them to hedge the negative effects of the announcements of fiscal policies during the pandemic.

A2.1: Corporate Finance X

Are co-opted boards socially responsible?

Huy Viet Hoang *(National Economics University, Vietnam & Lincoln University, New Zealand)*, Cuong Nguyen *(Lincoln University, New Zealand)*, Christopher Gan *(Lincoln University, New Zealand)*, Khanh Hoang *(National Economics University, Vietnam & Lincoln University, New Zealand)*

Abstract
The emergent social demand on firms to communicate their environmental, social, and governance (ESG) activities to the public poses increasing pressures on corporate reporting and induces different corporate reactions. This study investigates the relationship between board co-option and ESG disclosure practice in a sample of U.S. listed firms. We reveal that firms with more captured boards disclose less ESG information, although this relation fades if firms are strong ESG reporters (ESG disclosure score is in the 90th percentile). This negative effect of board co-option holds

after a battery of sensitivity tests. Our cross-sectional tests show that this effect is more pronounced in firms located in more corrupt and pro-Democratic states. Additionally, the presence of co-opted boards makes the ESG reporting of firms operating in heavy-emitted industries less informative. Our results give support to the emerging literature of board co-option that co-opted directors insulate CEOs from the dismissal threat, therefore curtail the need of CEOs to engage in ESG reporting.

The dynamic effect of corporate social responsibility on post-merger firm performance: Evidence from emerging markets

Nhien-Tuyet Doan *(Cantho University, Vietnam & Dayeh University, Taiwan)*, Yi-Hao Lai *(Dayeh University, Taiwan)*, Nhan Quoc Nguyen (*Cantho University, Vietnam*)

Abstract
We investigate the bi-directional relationship between corporate social responsibility (CSR) dimensions and post-merger corporate financial performance (CFP) in emerging markets via the Panel Vector Autoregression Model. We reveal that high-CSR firms exist the positively bi-directional relationship between outside CSR and post-merger CFP as a 'virtuous circle', consistent with the positive synergy hypothesis, whereas the negatively bi-directional relationship between outside CSR and post-merger CFP is accounted for lower-CSR firms, supported by the negative synergy hypothesis. The plots of the impulse responses function (IRF) also show that lower-CSR firms tend to engage more in outside-CSR projects, while high-CSR firms are more likely to invest in inside-CSR activities. The results of the IRF point that the bi-directional relationship between CSR and post-merger CFP changes over time.

Corporate Innovation and CEO Martial Status

Chanho Cho (*Black Hills State University, US*), Joey Choi (*Louisiana State University Shreveport, US*), Time Mooney (*Thomas Jefferson University, US*)

Abstract
We analyze how CEO marital status and corporate innovation might interact. Firms with married CEOs are associated with higher levels of innovation, measured by patents and patent citations. Firms with married CEOs also tend to head firms with better employee relations and a better corporate culture. Results suggest married CEOs foster a positive work environment that is more conducive to innovation, consistent with other studies in the areas of marriage, pro-social behaviors, and innovation. Our findings extend the literature on CEO personal characteristics and corporate outcomes.

The Big Five model of personality traits in the banking sector: CEOs signature and bank performance in an emerging Asian country

Tu DQ Le *(University of Economics and Law, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)*, **Thanh Ngo** (*Massey University, New Zealand & Vietnam National University, Hanoi, Vietnam)*, Dat T Nguyen *(University of Economics and Law, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)*, Tin H Ho *(University of Economics and Law, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)*

Abstract
The literature has shown that the performance of a firm is strongly influenced by its top managers regarding the manager's psychological characteristics, gender, education, experiences and so on. It is also believed that a person's characteristics are somewhat reflected in their signature. However, there is no study on the relationship between CEOs' signature and firm performance this paper is the first to do so. By analyzing nearly 160 signatures from CEOs of 31 Vietnamese commercial banks during the 2007-2020 period, we found that banks with conscientious CEOs tend to outperform their counterparts. The influence of other factors such as bank ownership, bank age, number of employees or CEO experience on the bank's performance is also examined.

A2.2: Monetary and Financial Economics II

Effects of Monetary Policy and Government Effectiveness on Economic Growth: Evidence from 49 countries over the world.

Hang Dang Thi Thu (*Hoa Sen University, Vietnam*), Lien Nguyen Phuong (*Hoa Sen University, Vietnam*)

Abstract

Increasing economic growth always is a big concern for all countries over the world. The paper applied the 2SLS model for the secondary panel data of 49 high-income, middle, and low-income countries for 20 years (2000 – 2019) to investigate the influence of monetary policy, government effectiveness, and other control proxies on economic growth. In the study, the authors measure the monetary policy by two variables, which named "Interest expense – IE" and "Compensation of employee expense – CE." This research evaluates the government effectiveness by two factors, specifically "Tax revenue – TR" and "Control of corruption – CC". The research uses two control variables: "rural population – RP" and "Trade openness – TD". The findings confirm that monetary policy, trade openness, and control of corruption are three significantly beneficial factors that promote income per capita. However, rural population rate, and tax revenue are harmful factors for economic growth. In addition, the GMM model also supports the same results as the 2SLS model. By investigating the monetary policy via interest and compensation of the employee expense and role of the Government on economic growth, the study contributes to the monetary policy as seen as following. Firstly, this study confirms that monetary policy has the positive effects on economic growth. Secondly, this paper also confirms that government effectiveness has complex impacts on an economy bases on the kind of measurement of government effectiveness. Keywords: Monetary policies, Government Effectiveness, trade openness, and economic growth.

Targeted Monetary Policy and Firm Innovation: Evidence from China

Liu Qi *(Southeast University, China)*, Dong Bin *(Southeast University, China)*

Abstract

Targeted reserve requirement ratio cut policy (TRRRC) is a targeted monetary policy often applied to promote development of small and micro enterprises (SMEs) in China. However, the actual effect of this policy on SMEs has received little attention. This paper uses the sample of Chinese NEEQ-Listed companies during 2007-2018 to investigate the impact of the TRRRC policy on SMEs' innovation within a difference-in-differences framework. Our results show that the TRRRC significantly promotes innovation in SMEs. This finding survives after a series of robustness tests. Furthermore, the effect of the TRRRC on innovation is more pronounced in non-state-owned enterprises, high-tech enterprises and those in regions with superior development of financial technology. Finally, mechanism analysis identifies that the TRRRC increases bank loans and decreases loan cost for SMEs, and consequently encourages innovation of SMEs in China.

Towards Money Market in General Equilibrium Framework

Truong Hong Trinh (*University of Danang, Vietnam*)

Abstract

This paper aims to integrate the money market into the structure of the economy. The micro-foundation is a starting point is to define the money market and the general equilibrium mechanism of the economy. On this basis, this research seeks a linking mechanism of the money market with economic activity in the general equilibrium framework. The relations between money supply and national output, inflation and price level are conducted in three cases: full-employment equilibrium economy; steady-state equilibrium economy; and sticky-price equilibrium economy. The research result explains the interrelation and transmission mechanism between the money market and general equilibrium of the economy. The paper provides the theoretical foundation for further researches on the money market and monetary policies towards economic growth and macroeconomic stability.

A2.3: Finance and Sustainability III

Importance of ESG Factors on the Sovereign Credit Ratings

Phuong Le *(Advanced CMA, France & RITM, Paris Saclay University, France & Banking University, HCM city, Vietnam)*, **Edouard Pineau** *(Advanced CMA, France)*, Rémy Estran *(Advanced CMA, France)*

Abstract
Current studies have raised the importance of Environment, Social and Governance (ESG) information for assessing debt issuers' creditworthiness. This paper provides a simple data-driven methodology to observe this importance in real sovereign ratings published by rating agencies. To do so, we build ESG and non-ESG indices using factor analysis, and use them as inputs for a statistical supervised rating model from which we can compute variable importance scores. Using this two-step method, we compare the relative importance of ESG and non-ESG indices underlying their ratings in advanced and emerging economies, at different timesteps. We find that using ESG variables to explain sovereign risk is more important for advanced economies, compared to emerging markets. In addition, we observe the evolution of ESG importance over time, growing for advanced economies and decreasing for emerging markets

The link between country SDGs and corporate ESG disclosure transparency: An empirical analysis of 1,500 firms from 14 countries

Thi Hong Van Hoang *(Montpellier Business School, France)*, Linh Pham *(University of Central Oklahoma, US)*, Wissal Guermoudic *(Montpellier Business School, France)*

Abstract
This paper aims to study the relationship between country sustainable development score (SDGs) and firm ESG disclosure score. For that, we collected SDGs score through annual report of the United Nations while ESG disclosure score is collected from the Bloomberg terminal. Other firm and country factors are also considered in our study. With an annual panel data sample of 1,593 firms from 14 countries, and 15 firm and country factors, from 2016 to 2020, our first results show that the country SDGs score has a positive and significant impact on the ESG disclosure transparency of firms. This shows the importance of the SDGs defined by the United Nations in the engagement of firms inform its stakeholders about environmental, social, and governance information. Our results also show that the size of firms, the percentage of women on board have a significant and positive impact on the ESG disclosure score. Furthermore, country GDP, FDI, corruption, government effectiveness, and regulation quality, also have a significant impact on the ESG disclosure score of firms.

Carbon Neutrality, Business Dynamism and Wage Inequality in a Sustainable Economy

Cong Tam Trinh *(International University, Ho Chi Minh City, Vietnam & Vietnam National University, Ho Chi Minh City, Vietnam)*, Xuan Nguyen *(Deakin University, Australia)*, **Chi-Chur Chao** *(Feng Chia University, Taiwan)*

Abstract
Sustainable production requires a good management of carbon dioxide (CO2) emissions to protect the environment. This paper investigates the short- and long-run effects of the CO2 emissions reductions policy on income distribution and social welfare. With the fixed number of urban manufacturing firms in the short run, CO2 emissions reductions may worsen the wage gap between skilled and unskilled labor, depending on the consequent capital reallocation between sectors. In the long run, the carbon-reducing policy could cause firms to exit from the manufacturing sector. The firm-exit effect directly reduces the demand for skilled labor in production. The stringer carbon-reducing policy can yield a double dividend in the long run by not only lowering the carbon level, but also mitigating the wage gap between skilled and unskilled labor. In this context, it is shown that, partial reduction of CO2 emissions is optimal for social welfare when the cost from carbon reductions to producers exceeds the benefit to consumers, and carbon neutrality (full elimination of CO2 emissions) is optimal otherwise. To achieve a sustainable economy with carbon neutrality, subsidies to producers for CO2 emissions reductions would thus warrant. Several theoretical insights of the paper are empirically validated with data from 112 countries in the period 1960-2020, which provide useful information for CO2 emissions management policy in both developed and developing countries.

A2.4: Financial Markets, Institutions & Money III

Economic Policy Uncertainty: The Probability and Duration of Economic Recessions in major European countries

Thanh Cong Nguyen (*Phenikaa University, Vietnam*)

Abstract
We study the impact of economic policy uncertainty on the probability and duration of economic recessions in 10 major European Union countries over the period 1987Q2-2021Q1. We find that economic policy uncertainty results in not only a higher probability of economic recessions but also longer recessions. Specifically, with a one-standard-deviation increase in the economic policy uncertainty index, on average the probability of an economic recession goes

up by 14%, and the probability of an economic recession ending reduces by 27%, controlling for general economic uncertainty and economic and political factors. Moreover, we find that fiscal expansion, adequate political support, and left-wing governments' policies are important to alleviate the effects of policy uncertainty on the likelihood of economic recessions.

Drivers of the Real Effective Exchange Rate in Sub-Saharan Africa: Evidence from Dynamic Common Correlated Effect (DCCE) Approach

Zameelah Khan Jaffur (*University of Mauritius, Mauritius*), Boopen Seetanah (*University of Mauritius, Mauritius*)

Abstract
Despite its importance in sustaining economic growth, especially in Sub-Saharan African (SSA) countries, empirical analyses on exchange rate in these countries are sparse. This study aims at investigating the determinants of the real effective exchange rate (REER) using a panel of 14 SSA countries, including eight least developed countries (LDCs) among them. Under the presence of cross-sectional dependence and slope heterogeneity within the sample of countries considered and given the dynamic nature of exchange rate, this study favours a dynamic common correlated effects (DCCE) estimator implemented within the panel autoregressive distributed lag (ARDL) method. For the whole sample of SSA countries, the REER is found to be affected by trade openness and investment in the long-run, whereas for the specific case of LDCs the GDP per capita influences the latter. As for the short-run, it is concluded that trade openness remains one key factor influencing the REER for both samples. The results also indicate that LDCs adjust more quickly to any shock in the equilibrium of the real effective exchange rate. In terms of enhancing global competitiveness, the findings from this study have important implications for regional policymakers.

Food or Jewellery? The Effects of Culture, Income, and Pandemic on Gold Demand

Cong Tam Trinh (*International University, Vietnam National University - Ho Chi Minh City, Vietnam*), Xuan Nguyen (*Deakin University, Australia*), Chi-Chur Chao (*Feng Chia University, Taiwan*)

Abstract
This paper studies the determinants of gold demand using data from 24 economies in the period 2010-2020. We find that several GLOBE's cultural dimensions, income, exchange rate, stock market performance, inflation rate, deposit interest rate in a country, and the COVID-19 pandemic serve as the drivers of aggregated physical gold, jewellery and bar and coin demand. However, their impact varies significantly across the three culture clusters including Confucian Asian economies, Western economies, and Middle East and Southern Asian economies. Interestingly, we find that the COVID-19 pandemic has a positive effect on gold consumption in Western economies, whereas it has a negative influence in Middle East and Southern Asian economies. Thus, the paper provides empirical evidence that lends a support to the argument that while the total gold consumption in the world declines during an economic turmoil (such as the pandemic), people in rich countries may take advantage of their wealth to accumulate the precious metal, whereas those in poor nations have no choice but to move away from it, perhaps due to other basic needs in life. Our findings provide useful economic and policy implications for the development as well as management of the gold markets around the world.

B1.1: Cryptocurrencies

Cryptocurrency Market Dynamic Causality

Thuy Dao (*University Paris 8, France*), Duc Khuong Nguyen (*IPAG Business School, France*), Ahmet Sensoy (*Bilkent University, Turkey*)

Abstract
Studying on the dependence structure among the cryptocurrencies still draw tremendous attention, but there is a paucity of research on that and almost focusing on leading cryptocurrencies defined by their market capitalization. Not only focusing on the relationship, our work but also study the dynamic causality in the cryptocurrency market from both return and liquidity perspectives. By employing a stable causality network, we present the directional causality among the cryptocurrencies and interestingly find that the leading cryptocurrencies are not the most influential players in the markets.

Where do DeFi Stablecoins go? A Close Look at What DeFi composability really means

Kanis Saengchote (*Chulalongkorn University, Thailand*)

Abstract

One of the benefits of decentralized finance (DeFi) "an alternative financial system built on blockchain" is composability, which means the system's building blocks (tokens) can freely interact with one another to form new services. One example is stablecoin, a token with fixed exchange rate, which is backed by token collaterals. While stablecoins can be used to facilitate payments and exchanges, in DeFi they can be used to earn returns ("yield farming"), potentially multiplicatively. We use transaction-level blockchain data to analyze a stablecoin's flows between protocols and provide suggestive evidence of DeFi yield-chasing behavior. We shed light on what DeFi total value locked might really measure and highlight the complexity in DeFi analysis and market surveillance.

Trust, but Verify: Alleged Fraud and Initial Coin Offerings

Kenny Phua (*University of Technology Sydney, Australia*), **Bo Sang** (*Singapore Management University, Singapore*), Chishen Wei (*Singapore Management University, Singapore*), Yang Yu (*Singapore Management University, Singapore*)

Abstract

We analyze point-in-time data on 6,000 initial coin offerings (ICOs) extracted from five ICO listing websites. There are widespread cross-site discrepancies in ICO attributes (i.e., misrepresentations). We propose a novel mechanism by which malicious issuers strategically use misrepresentations to screen for unsophisticated investors. ICOs with more misrepresentations are more likely to be scams and raise more funds. Further tests show that advisors may facilitate the spread of misrepresentation behavior across ICOs. We estimate that around 40% of ICOs may be scams, but many go unreported. Overall, investors can benefit from simple cross-site verification even when regulation and disclosure are limited.

Applying Prospect Theory on a Major Cryptocurrency Exchange

Hoang-Viet Le (*Keynum Investments & Universite Paris Saclay, France*), Thu-Hang Do (*Paris-Dauphine University, France*), **Hans-Jorg von Mettenheim** (*Keynum Investments & IPAG Business School, France & Oxford-Man Institute of Quantitative Finance, UK*), Fei Liu (*IPAG Business School, France*), Walter von Mettenheim (*Leibniz Universitat Hannover, Germany*)

Abstract

We analyze the predictability of the prospect theory model on the return of cryptocurrency markets and the potential of applying it as a proper trading strategy over a two-year period from 2019 to 2021. We find that for high market capitalization cryptocurrencies listed on a large crypto exchange, those with higher prospect value have a better return when compared with lower prospect value cryptocurrencies, which is contradictory to the results on the whole set of cryptocurrencies as well as findings from recent papers. However, despite the typically large difference in performance between high prospect value and low prospect value cryptocurrencies, the effect struggles at providing attractive risk-adjusted returns as a market-neutral trading strategy. With higher transaction costs, the exploitability of the anomaly disappears.

B1.2: Banking Regulation and Financial Services VIII

How Do Investors Prefer Banks to Transit to Basel Internal Models: Mandatorily or Voluntarily?

Henry Penikas (*Bank of Russia & P.N. Lebedev Physical Institute & NRU HSE, Russia*), **Anastasia Skarednova** (*Alfa-Bank & NRU HSE, Russia*), Mikhail Surkov (*Bank of Russia, Russia*)

Abstract

The recently finalized Basel Framework continues allowing banks to use internal data and models to define risk estimates and use them for the capital adequacy ratio computation. World-wide there are above two thousand banks running the Basel internal models. However, there are countries that have none of such banks. For them there exists a dilemma. Namely, which transition path to adopt out of the two. The voluntarily one as in the EU or the mandatory one as in the US. Our objective is to take the investor perspective and benchmark those two modes. Thus, we wish to find whether there is a premium for any of them, or perhaps that they are equivalent. The novelty of our research is the robust estimate that investors prefer mandatory transition style to the voluntarily one. Such a preference is reflected in the rise of the mean return and decline in stock volatility for the transited banks in the US and right the opposite consequences in the EU. However, we should be cautious in interpreting our findings. Such a preference may not only be the premium for the breakage of the vicious cycle and the ultimate improvement in the banks' risk-management systems and the overall financial stability. It may also hold true if and only if the mandatory transition for particular

institutions is accompanied by a restriction for other banks in the region to transit. Our findings are of value primarily to the emerging economies like Argentine and Indonesia.

Credit Creation, Credit Destruction, and Credit Reallocation: Evidence from India

Seema Saini (*Indian Institute of Technology Kanpur, India*), Wasim Ahmad (*Indian Institute of Technology Kanpur, India & London School of Economics and Political Science, UK*)

Abstract
The rapidly growing empirical studies find that the reallocation of physical and financial inputs across and within firms can be an essential productivity growth source. This paper examines the process of credit reallocation across Indian businesses by applying the methodology proposed by Davis and Haltiwanger (1992) for measuring job reallocation. Using a novel firm-level dataset over 30 years, we find that substantial gross credit flows are masked underlying net credit growth at each business cycle phase. Our results reveal that credit reallocation is intense, and the majority of credit reallocation occurs within a group of firms similar in size, governance, or industry. We also find that credit destruction is more volatile than credit creation and excess reallocation fluctuates countercyclically over the business cycle. The findings suggest that heterogeneity in credit market dynamics is a prime source of credit reallocation evolution.

Financial technology in developing economies: A note on digital lending in Turkey

Hakki Deniz Karaman (*Kadir Has University, Turkey*), Tanseli Savaser (*Vassar College, US*), **Murat Tinic** (*Kadir Has University, Turkey*), Gunseli Tumer-Alkan (*Vrije Universiteit Amsterdam, Netherlands*)

Abstract
We examine the differences in the loan performance of fintech and bank borrowers in Turkey. Using data of 5.5 million consumer loans by the fifth-largest private commercial bank in Turkey and its fintech subsidiary, we demonstrate that fintech borrowers are on average younger, better educated, have higher income and savings levels, pay less interest and have better credit history than traditional bank borrowers. Furthermore, fintech borrowers are less likely to default. Superior performance of fintech loans is driven by the fintech firm's ability to identify creditworthy borrowers among individuals with low-credit scores. These results contrast with the earlier evidence for developed markets where fintech borrowers are found to be more risky.

B1.3: Dynamic of International Capital Markets II

Spillovers of the Bank of Japan's Exchange Traded Fund and Corporate Bond Purchases

Thuy Linh Nguyen (*Hitotsubashi University, Japan*)

Abstract
This study examines the spillovers of the Bank of Japan's (BOJ's) exchange-traded fund (ETF) and corporate bond (CB) purchases on bank operations and the supply of bank loans for public and private firms not subject to BOJ purchases. The results show that, first, following the introduction of the BOJ's purchases in 2010, the total lending of highly exposed banks decreased; instead, such banks invested more in securities compared to less exposed banks. Second, evidence suggests a small but negative effect of the purchase program on bank investment and performance ratios. The decline in targeted firms' bank loans may have intensified banking competition and encourage highly affected banks to engage more in risk-taking activities, which might adversely affect banks. Third, consistent with the increase in exposed banks' risk-taking incentives, the impact on bank loans of public ineligible firms is shown to be insignificant, while SMEs with higher exposure to the BOJ's program had more favorable loan terms such as larger loan amounts and lower interest rates after the policy implementation. However, this positive impact on SMEs is not strong enough to improve firms' performance.

Revisiting the sources of U.S. imbalances: Wavelet approach

Junhyung Ko *(Aoyama Gakuin University, Japan)*, Yoshito Funashima *(Tohoku Gakuin University, Japan)*

Abstract
This paper investigates the sources of U.S. current account imbalances using the discrete wavelet method. The links between current account and the real interest rate are decomposed into time and frequency domains. The main findings

are summarized as follows. First, the negative links are much strongly observed since 1990s, which supports the made-in-USA hypothesis rather than the global-saving-glut hypothesis. Second, the changes in the domestic investment schedule rather than those in the saving schedule contribute more in explaining the U.S. current account imbalances.

Impact of COVID-19 on the interdependence of top ten Financial Markets: A study on Correlation, Cointegration, and Spillover Effect

Philippe Gillet *(University of Paris-Saclay, France)*, Dipanita Deb *(University of Paris-Saclay, France & National Institute of Technology (NIT) Durgapur, India)*, Naima Ferhati *(LAREMO Laboratory, University of Tizi-Ouzou - Faculty of Economics)*, Phuong Le *(University of Paris-Saclay, France & Banking University HCM city, Vietnam & Qivalio, France)*

Abstract

This paper examines the interdependence between different financial markets by studying the correlation, the cointegration, and the spillover effect, namely the United States (S&P500), China (SSE), Japan (NIKKEI), Germany (DAX), India (NIFTY), United-Kingdom (FTSE), France (CAC40), Italy (MIB), Brazil (IBOVESPA), Canada (TSX), caused by the occurrence of the COVID-19 health crisis. To achieve these objectives, we used different methods such as the rolling correlation, the Johansen cointegration test, and the multivariate DCC-GARCH model. The results of the study indicate that in periods of high volatility the markets tend to be more highly correlated, and the correlation between variances increases. Moreover, Johansen cointegration tests show that a cointegration relationship exists before the crisis, it was intensified because of the COVID epidemic. Furthermore, the application of DCC-GARCH has helped us to better capture the dynamic conditional correlations in times of crisis between the benchmark indices of the countries studied.

B1.4: Corporate Finance XI

Do high skilled managers favour high skilled employees? Evidence from labour investment in China

Zixiong Sun *(Massey University, New Zealand)*, Hamish Anderson *(Massey University, New Zealand)*, Jing Chi *(Massey University, New Zealand)*

Abstract

We investigate the impact of managerial foreign experience on corporate labour cost. We show that foreign experienced managers pay higher wages to employees. Further, efficiency wage theory and employee protection can serve as underlying economic channels that increase labour cost by retaining and attracting high skilled employees and improving labour protection. Further analyses indicate that foreign experienced managers mainly focus on employees' wellbeing in state-owned enterprises (SOEs) and improve total factor productivity in private firms. The effect of managerial foreign experience on labour cost is more pronounced in firms without political connections, and in firms with excess cash holdings, or lower operating leverage. The positive relationship between managerial foreign experience and labour cost, benefits shareholders through increasing firm value. However, it also generates labour stickiness costs. Overall, our findings have implications for the emerging market regarding the transition from a low-cost labour development model to high-skilled-employees based model.

Equity carve-outs, dual directors, and internal labor markets

Pengda Fan *(Ritsumeikan Asia Pacific University, Japan)*

Abstract

This study examines the functions of dual directors who serve simultaneously on the parent as well as the subsidiary boards. We find evidence that the Japanese stock market reacts positively to the presence of dual directors who hold CEO positions in carve-out subsidiaries, especially when they are relatively young. Additionally, we find that carve-out subsidiaries led by young dual directors tend to outperform their matched counterparts in the long run. In contrast, when dual directors do not hold the CEO position, we find no evidence of the stock market reacting positively to them. The results of this study suggest that young CEOs appointed from the internal labor markets care more about long-term reputation, and can enhance shareholder wealth of both parent and subsidiary firms.

The Employment Non-Discrimination Act and Board Gender Diversity

Xiaoqi Chen *(Xiamen University, China)*, **Wouter Torsin** *(University of Liège, Belgium)*

Abstract
Over the last three decades, many US states have adopted employment non-discrimination acts (ENDAs) that prohibit discrimination based on sexual orientation and gender identity. However, there is limited research investigating the real effects of these laws on business activities. Using a difference-in-difference analysis, we report a significant and timely increase in board gender diversity for firms after the ENDA is adopted in the state in which they are headquartered, relative to firms headquartered in states that have not adopted such laws. We further identify that this relationship is moderated by the presence of firm-level monitoring. Overall, our findings suggest a positive and causal link between ENDA adoption and board gender diversity. This result is more pronounced for firms that face heightened levels of monitoring. We interpret our findings through the avenue of firms responding to increased labor protection by building goodwill and reputational insurance through heightened gender diversity.

Board interlock networks and corporate risk-taking: Evidence from a developing country

Nhung T. T. Nguyen (*ESCP Business School, Paris, France & University of Economics Ho Chi Minh City, Vietnam*), Christophe Moussu (*ESCP Business School, France*)

Abstract
This study investigates the impact of board interlocks and corporate risk-taking in Vietnamese listed firms. The empirical results show that high interlocking directors networks mitigate risk-taking behaviors. The linkage is affected by the relative difference of alternative information sources between focal firms and their interlock partners. Additionally, state ownership affects the relationship between board interlocks and corporate risk-taking. The transparency level of the business environment strongly influences the above effects. Further analysis on direct interlocks shows that more intra-industry interlocks reduce corporate risk-taking. Our results are robust to alternative variables measure, subsamples, and endogeneity tests.

B2.1: Banking Regulation and Financial Services IX

Club convergence in bank asset liquidity over the 2007–2019 period

Jari-Mikko Meriläinen (*Jyväskylä University, Finland*), Juha Junttila (*Jyväskylä University, Finland*)

Abstract
This study uses a sample of Western European banks to examine convergence in bank asset liquidity over the 2007-2019 period. Our main interest is in the evolution of asset liquidity during the financial crisis and the sovereign debt crisis and after the introduction of Basel III's liquidity coverage ratio (LCR) requirement. We test the presence of Î²-convergence, Î³-convergence and convergence clubs. The results suggest that bank asset liquidity has converged during the sample period; the least liquid banks have improved their liquidity whereas the most liquid banks have become less liquid. Thus, we find Î²-convergence in bank asset liquidity. However, there is no evidence of Î³-convergence, i.e., convergence towards a single value. Instead, there are two convergence clubs; one convergence club decreases its liquidity and the other increases it. Both clubs converge towards different values. A closer examination reveals that the first club substitutes interbank loans for cash and the second for loans. This result suggests that there is rather divergence in bank asset liquidity.

Diversification, employee productivity and herding concerns: Evidence from Indian banks

Himadri Shekhar Chakrabarty (*Indian Institute of Management Calcutta, India*)

Abstract
The study explains how benefits from activity diversification in Indian banks might propel them to mimic each other's strategies in adoption of off-balance sheet instruments, ultimately leading to disturbing the stability indicators. This is particularly important in India's context where banks have been found to have a higher magnitude of contingent liabilities in comparison to assets. The novelty of our initial finding lies in the fact that we use the non-linear dynamic threshold approach to estimate the optimal level of employee productivity below which diversification between balance sheet activities and off-balance sheet activities and within the instruments of off-balance sheet activities may not be recommended. The study argues that the varying employee productivity and capabilities across the various types of banks, in managing complex instruments drives the banks to herd on off-balance sheet activities, which ultimately proves to be a risky proposition. However, in times of an economic crisis herding on off-balance sheet instruments provides beneficial results for the banks.

Bank credit and economic growth: a dynamic threshold panel model for ASEAN countries

Sy-Hoa Ho (*Duy-Tan University, Vietnam*), **Jamel Saadaoui** (*University of Strasbourg, France*)

Abstract

While it is widely recognized that the development of a sound financial system may contribute to foster economic growth, the relation between economic growth and financial activities is complex. In this perspective, our contribution investigates the existence of threshold effects in the relationship between economic growth and bank credit. Our sample of ASEAN countries is examined over the period spanning from 1993 to 2019. We use the approach of Kremer et al. (2013) to estimate threshold effects in a dynamic panel where a group of explanatory variables can be endogenous. Our results do not confirm the vanishing effect of finance on economic growth. We found a threshold of 96.5% (significant at the 5% level) for the credit-to-GDP ratio, the threshold variable. In the short run, for observations inferior or equal to the threshold, the positive effect of bank credit expansion on economic growth is around 0.08 (significant at the 1% level). Whereas, for observations superior to the threshold, the positive effect of bank credit expansion on economic growth is around 0.02 (significant at the 1% level). The role of exporting firms is essential in ASEAN countries as they are more export-oriented than other regions in the world economy. Our results may indicate that the beneficiary of the credit (firms versus households), the structural features (export-led growth), and the regional heterogeneity have to be considered in empirical investigations of threshold effects in the relation between economic growth and bank credit. This empirical evidence may help to formulate sound policy recommendations.

Face-off: banks' reaction to credit unions. Evidence from the Brazilian credit market

Fabio Motoki (*University of East Anglia, UK*), Poliano Cruz (*FUCAPE Business school, Brazil*), Reynaldo Assunção (*Brazilian Central Bank, Brazil*)

Abstract

We measure what happens to personal credit interest rates banks charge when a credit union operates in a location. Competition and concentration of the banking industry have been long-standing issues in the banking literature and for regulators such as Central Banks, the banks themselves, and market participants. Using the Brazilian Central Bank's (BCB) Credit Information System, we gather 370,383 location-month observations from 6,225 distinct locations and estimate dynamic panels of determinants of bank credit operations' average annual percentage rate (APR). Results indicate that when a credit union (CU) operates in a location, bank APRs are between 4.3 p.p. and 25.6 p.p. lower, while CU market power seems to drive up bank loan rates. We contribute to the ongoing debate by providing evidence that the Central Banks must consider both concentration and competition when designing policies and shedding light on a controversial theme within the banking competition literature.

B2.2: Behavioral Finance VI

1980s Japanese Black Swan and Bubble Experience Learning

Nga Nguyen (*Dresden University of Technology, Germany*)

Abstract

Bubbles, the black swans, are recurrent phenomena in economic history and have attracted a number of researchers for years. While recent literature shows that behavioral factors play a crucial role in forming and escalating bubbles, others still question whether these price episodes are precisely irrational. This article investigates the existence of two pervasive behavioral beliefs, extrapolation and overconfidence, in the 1980s Japanese Real Estate Bubble. This study also contributes to the current literature on bubble experience learning by examining the influence of bubble experience on subsequent investment behavior. To do so, we utilize the novel research method which is the combination of interview and online survey on a sample of thirty-one bubble-experienced Japanese. Extrapolation and overconfidence are documented in respondents' investment behavior in both bubble and subsequent periods. These findings demonstrate the role of extrapolation and overconfidence in the bubble and imply investors' failure in learning from this experience.

Female CEO leadership and stock price crash risk: Evidence from an emerging market

Duc Nha Bui (*Ton Duc Thang University, Vietnam*), Christophe Moussu (*ESCP Business School, France*), Nhung Nguyen (*ESCP Business School, France & University of Economics Ho Chi Minh City, Vietnam*)

Abstract
We investigate the impact of female CEOs and CFOs on stock price crash risk. Using a sample of the Vietnam stock market during 2011-2020, we reveal a negative relationship between female CEOs and stock price crash risk. In contrast, we do not find evidence on the impact of female CFOs on crash risk. Our findings support the notions that CEOs play a more substantial role than CFOs in financial policy decisions. Our results are robust to several econometric specifications controlling for potential endogeneity and alternative crash risk measures. In addition, we indicate that the negative relation between female CEOs and stock price crash risk is more pronounced among firms with higher business risk, higher foreign ownership, and lower control government ownership. In sum, our evidence highlights the importance of female CEOs for firm financial decisions and stock price tail risk than female CFOs.

The Interaction Between Foreigners' Trading and Changes in Stock Indices on the Vietnam Stock Market

Nhung Nguyen (*University of Economics and Business, Vietnam*), Anh Tran (*University of Economics and Business, Vietnam*)

Abstract
In an attempt to investigate how much foreign investors' trading impacts on VN-Index and HNX-Index, the research uses time series collected from Investing and vector error correction model (VECM). As a result, the research results provide evidences about a long-run relationship between foreigners' net trading value and market indices on Ho Chi Minh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX). Moreover, foreigners' net trading value experience more significant influence on HNX-Index than VN-Index. In addition, foreigners' net trading value has less significant impacts on indices when the stock market decreases than when the stock market fluctuates or increases while in case of sideways, foreigners' trading dont have an influence on changes in indices for next days. In particular, the impact of foreigners' net trading value on changes in VN-Index seems to be less significant since May 2018.

B2.3: Corporate Finance XII

Divestment on the stock markets: A sign of low opportunity industry?

Asad Iqbal MASHWANI (*EDC Paris Business School, France*), Sebastien Dereeper (Skema Business School, France), Jean Gabriel Cousin (Université de Lille, France)

Abstract
Corporate divestments have been studied since long, but the main focus of previous studies has been the firm level impact of divestments. We take this discussion to the industry level and argue that divestments, on average, are carried out in industries where opportunities are low. These industries have low operating performance (gauged on capital expenditures, cash flow, sales growth, assets growth, profit margin, market to book value and research and development) compared to industries where there are no divestments. In addition to this evidence, we find that the merger and acquisition activities, in which the target is in industries where divestments happened in last three pre-event years, bidders had less value created compared to mergers where the target industry had no divestments. Both, the low operating performance of industries post divestments and low value created by bidders having targets in industries where divestments happened, signal that industries where divestments take place have low opportunities ahead. This also implies that a corporate change can be interpreted as a signal for industrial change.

Impact of Risk on Capital Structure Adjustments: Evidence from SADC countries

Lydie Myriam Amelot (*University of Mauritius, Mauritius*), Ushad Subadar Agathee (*University of Mauritius, Mauritius*), Boopendrah Seetanah (*University of Mauritius, Mauritius*)

Abstract
The purpose of the study is to investigate the impact of risks on capital structure adjustments on SADC countries. Employing System GMM as main topology model, the analysis is conducted over a ten year period spanning from 2008 - 2017. Results reported that the speed of capital structure adjustment is slower for companies experiencing higher idiosyncratic and macroeconomic risk. Therefore, companies become risk averse which in turn create delays in capital structure adjustments. In addition, the study indicates a negative relationship between leverage and risks. Hence, idiosyncratic risks raise capital structure adjustment costs when actual leverage of companies is below the target. Consequently, firms incur difficulties in adjusting costs thereby reducing leverage. Results are in line with the negative dynamic trade- off theory postulating that developing economies companies spend more expenses and adjust their capital structure slowly so as to reach their optimal target position (Dierker et al., 2019).

Swings and roundabouts of stakeholder management and firm competitiveness: Evidence from an efficiency approach

Bechir Ben Lahouel (*IPAG Business School, France*), Lotfi Taleb (*Université de Tunis, Tunisia*), Younes Ben Zaied (*EDC Paris Business School, France*), Shunsuke Managi (*Kyushu University, Japan*)

Abstract

Stakeholder theory asserts that fostering relational interactions with key stakeholders is a valuable strategy that can ensure sustainable competitive advantage. However, the empirical evidence is inconclusive. This paper aims to investigate the relationship between stakeholder management and firm competitiveness by focusing on a performance measure of inefficiency that is less commonly used in the strategic corporate social responsibility literature. This relationship is tested on a sample of 28 international airlines between 2010 and 2017. Airline inefficiency is measured using a novel slack-based data envelopment analysis (DEA) approach, assuming that airlines operate in a dynamic three-stage network process. The specification of the proposed model is dynamic as it accounts for carryover activities that link consecutive time periods and therefore constrain the production system. The DEA results reveal a growing need to improve the operational efficiency (i.e., competitiveness) of most airlines in the sample. The empirical results of the random-effects Tobit regressions indicate that stakeholder management has a neutral impact on airline competitiveness. A direct implication of the results of this study suggests that long-term strategic planning and additional resources and capabilities should be devoted to supporting stakeholder management and producing effective and competitive organizational assets.

B2.4: Financial Markets, Institutions & Money IV

Financialization and Inequality in Developing and Emerging Market Economies: AN Empirical Examination Using the Two-Step GMM Estimation

Kang-Kook Lee (*Ritsumeikan University, Japan*), **Md Abu Bakkar Siddique** (*Ritsumeikan University, Japan*)

Abstract

Financialization could increase income inequality by producing a very high income of financiers and by doing harm to wages, investment, and thus aggregate demand in the real economy. This study investigates the effect of financialization and financial rent on inequality in developing and emerging market economies (DEEs) in the 1980-2017 period. Employing the dynamic system GMM estimator and using a new measurement, we find that financialization measured by financial rent and more asset concentration increase income inequality in DEEs. Among other financialization indicators, bank income before tax, stock trading value, market capitalization ratio, and oversized financial system are associated with income inequality. We also find that trade openness, education, and union density reduce inequality, while foreign direct investment, the unemployment rate, and GDP growth increase it in DEEs.

Alchemy for Foreign Exchange Rate Forecasting

Rupsha Acharya (*Xavier School of Management, India*), Pitabas Mohanty (*Xaviers Labor Relations Institute, India*)

Abstract

Forecasting the foreign exchange rate plays a significant role for participants who make international investment decisions to earn returns, hedge their risk, and for central banks carrying out regulatory measures. This study investigates the forecasting and predicting literature on the foreign exchange rate from 1977-2020, to understand the current state-of-art and its mode of application. We identified the most popular artificial intelligence-driven deep learning neural network architectures used by researchers to predict exchange rates from the literature. This paper applies the multi-layer perceptron model, recurrent neural network-long short-term memory model, and convolutional neural network model to predict exchange rate. Mean absolute percentage error is used for performance measurement of the deep learning models and comparison with the benchmark, random walk model. The performances of the deep learning neural network models were mixed. However, none of the models could beat the Random Walk.

Investor Reactions to Reforms and Institutional Changes: Historical Evidence on the Ottoman Consolidated Bond Traded in European Markets

Elmas Yaldız Hanedar (*Sakarya University of Applied Sciences, Turkey*), Avni önder Hanedar (*Sakarya University, Turkey*), Mehmet Gökhan Göktan (*Okan University, Turkey*)

Abstract
This paper examines the effect of the establishment of Ottoman Public Debt Administration (OPDA) on the risk perceptions of European investors. The analysis focuses on the bond markets in London, Paris and Berlin where the Ottoman Consolidated Bond was traded, covering the period of 1875-1888. The empirical findings basically suggest that the establishment of the OPDA had no positive effect on the bond's yield and its volatility as well, which is also supported by the structural break dates obtained by the Inclan-Tiao test. This finding contradicts with the finding of positive effect of the establishment of OPDA on the Istanbul Stock Exchange, which may lead us, in terms of both historical and current implications, to further inquiry on the reasons of differences in investor risk-perceptions in domestic and foreign markets.

Financial development effects upon economic growth over multiple horizons

Christos Bouras (*University of Piraeus, Greece*), Christina Christou (*Open University of Cyprus, Cyprus*), Christis Hassapis (*University of Cyprus, Cyprus*)

Abstract
The goal of this paper is to decompose the effects of the size of the financial sector on per capita growth over different time horizons. Using the multi-step non-causality test by Dufour et al. (2006) and the causality measures of Dufour and Taamouti (2010) on 81 economies, we find that, after controlling for financial stability, various indicators of financial development possess incremental information for future economic growth mainly over long periods of time. These results hold for a large number of countries with different levels of economic development. Financial intermediation appears to play an increasing role in driving economic development even when we account for financial efficiency effects. While all indicators of financial development have a significant impact on per capita growth, we document that the predictive power of private credit by deposit money banks and financial institutions is relatively stronger and more robust. Our evidence also suggests that financial intermediation induces strong causal effects upon economic growth mostly in countries with very low and middle income levels. As argued by Rioja and Valev (2004), financial development exerts positive strong influences on growth only when a country's economy has reached an intermediate level of development and declines at higher levels. In contrast to them, we document strong effect in the lower development levels.

List of Participants

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Qunzi	ZHANG	Shandong University, China	China
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Hua	ZHONG	School of Systems Science, Beijing Normal University	China

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The Banking Academy of Vietnam is a state university established in 1961, governed by the State Bank of Vietnam and the Ministry of Education and Training. It is headquartered in Hanoi and has two branches in Bac Ninh province and Phu Yen province.

Banking Academy of Vietnam is a multidisciplinary university. It currently offers undergraduate accredited programs including banking, finance, accounting-auditing, economics, business administration, international business, foreign languages, law as well as management information systems. It further provides high-quality graduate programs in finance and banking, accounting. The number of students on annual average are 16,800, in which first-year students constitute of 4,000 and 400 for undergraduate level and graduate level respectively. The university strongly adheres to the international standards in developing syllabi or curricula in responding to the labor market demands in the country and internationally.

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Guideline For Participants

Session Participation Instruction

Conference dates: 08:30 – 22:30 (Vietnam time, GMT+7), Thursday, October 28, 2021
09:00 – 22:00 (Vietnam time, GMT+7), Friday, October 29, 2021
08:30 – 17:00 (Vietnam time, GMT+7), Saturday, October 30, 2021

Platform: Virtual meeting via Zoom Webinar

Please follow the links below to access various sessions of VSBF2021. **Note** that **passcode** to attend the sessions was sent to you privately via email. If you cannot find your passcode, please **contact** Hung Do (h.do@massey.ac.nz) or Thuy Dao (thuthuy.dao@avseglobal.org).

THURSDAY, OCTOBER 28, 2021

Date	Time	Session	1	2	3	4
Thursday 28/10/2021	08:30 - 09:00	A1	**Welcome and Opening Remarks** Great Hall Zoom			
	09:00 - 10:00	A1	**Some Thoughts about Bank Liquidity** **Professor Robert DeYoung**, Koch Distinguished Professor in Business Economics and Harold Otto Chair of Economics, University of Kansas, United States Great Hall Zoom			
	10:30 - 12:00	A2	A2.1: Banking Regulation and Financial Services I Zoom A2.1	A2.2: Finance and Sustainability I Zoom A2.2	A2.3: Behavioral Finance I Zoom A2.3	A2.4: Corporate Finance I Zoom A2.4
	13:00 - 14:30	B1	B1.1: Corporate Finance II Zoom B1.1	B1.2: Applications of Machine Learning Zoom B1.2	B1.3: Banking Regulation and Financial Services II Zoom B1.3	B1.4: Finance and Sustainability II Zoom B1.4
	15:00 - 16:30	B2	B2.1: Environmental, Social, and Governance Zoom B2.1	B2.2: Financial Markets, Institutions & Money I Zoom B2.2	B2.3: Corporate Finance III Zoom B2.3	B2.4: Monetary and Financial Economics I Zoom B2.4
	18:30 - 20:00	C1	C1.1: Banking Regulation and Financial Services III Zoom C1.1	C1.2: Behavioral Finance II Zoom C1.2	C1.3: Corporate Finance IV Zoom C1.3	C1.4: Investment Funds I Zoom C1.4
	20:30 - 22:00	C2	C2.1: Corporate Finance V Zoom C2.1	C2.2: Financial Markets, Institutions & Money II Zoom C2.2	C2.3: Behavioral Finance III Zoom C2.3	C2.4: Emerging Markets Finance I Zoom C2.4

FRIDAY, OCTOBER 29, 2021

Date	Time	Parallel	1	2	3	4
Friday, 29 October 2021	09:00 - 10:00	A1	Meeting the Editors Session Great Hall Zoom			
	10:30 - 12:00	A2	A2.1: Corporate Finance VI Zoom A2.1	A2.2: Financial Modelling Zoom A2.2	A2.3: Risk Management Zoom A2.3	A2.4: Macro-Financial Linkages Zoom A2.4
	13:00 - 14:30	B1	B1.1: Dynamic of International Capital Markets I Zoom B1.1	B1.2: Banking Regulation and Financial Services IV Zoom B1.2	B1.3: Behavioral Finance IV Zoom B1.3	B1.4: Corporate Finance VII Zoom B1.4
	15:00 - 16:30	B2	B2.1: Credit Risk Modelling I Zoom B2.1	B2.2: Banking Regulation and Financial Services V Zoom B2.2	B2.3: Emerging Markets Finance II Zoom B2.3	B2.4: Corporate Finance VIII Zoom B2.4
	18:30 - 20:00	C1	Banks' Nonbank Affiliates **Professor Haluk Unal,** *Professor of Finance, Robert H. Smith School of Business, University of Maryland, United States* Great Hall Zoom			
	20:30 - 22:00	C2	C2.1: Banking Regulation and Financial Services VI Zoom C2.1	C2.2: Investment Funds II Zoom C2.2	C2.3: Behavioral Finance V Zoom C2.3	C2.4: Credit Risk Modelling II Zoom C2.4

SATURDAY, OCTOBER 30, 2021

Date	Time	Parallel	1	2	3	4
Saturday, 30 October 2021	08:30 - 10:00	A1	A1.1: Banking Regulation and Financial Services VII Zoom A1.1	A1.2: Asset Pricing and Allocation Zoom A1.2	A1.3: Corporate Finance IX Zoom A1.3	A1.4: Corporate Social Responsibility Zoom A1.4
	10:30 - 12:00	A2	A2.1: Corporate Finance X Zoom A2.1	A2.2: Monetary and Financial Economics II Zoom A2.2	A2.3: Finance and Sustainability III Zoom A2.3	A2.4: Financial Markets, Institutions & Money III Zoom A2.4
	13:00 - 14:30	B1	B1.1: Cryptocurrencies Zoom B1.1	B1.2: Banking Regulation and Financial Services VIII Zoom B1.2	B1.3: Dynamic of International Capital Markets II Zoom B1.3	B1.4: Corporate Finance XI Zoom B1.4

Date	Time	Parallel	1	2	3	4
	15:00 - 16:30	B2	B2.1: Banking Regulation and Financial Services IX Zoom B2.1	B2.2: Behavioral Finance VI Zoom B2.2	B2.3: Corporate Finance XII Zoom B2.3	B2.4: Financial Markets, Institutions & Money IV Zoom B2.4

Note for presenters:

1. Make sure you have the following: a laptop or desktop with a microphone and webcam, a recent version of Chrome or Firefox and Zoom app and a strong internet connection. We recommend wearing earbuds or headphones to prevent audio echoes.

2. Please send your presentation slides to us (h.do@massey.ac.nz and vsbf2021@sciencesconf.org) before the presentation day as a backup plan. Please name your file as <Day>_<Session number>_<Name of Presenter>, e.g., Thu_A2.1_Hung Do

3. Please control your own presentation material which should be loaded on your desktop/ laptop in advance. When it is your turn to present, you will need to share your file or your screen.

4. If you have any technical issues whilst you are presenting, please don't panic. We have a copy of your presentation as a backup, so we can load it up for you in the event of any technical difficulties.

5. Keep the presentation to time. Each presentation is generally allowed 20 minutes. Each Q&A discussion is allowed up to 10 minutes.

ZOOM: Instruction Manual for Program Participants

Welcome! This support document provides step-by-step instructions for participants on how to use ZOOM.

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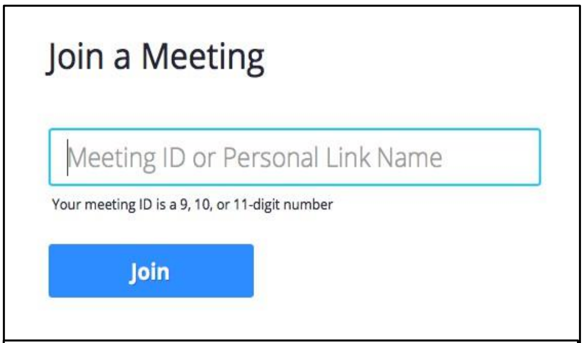
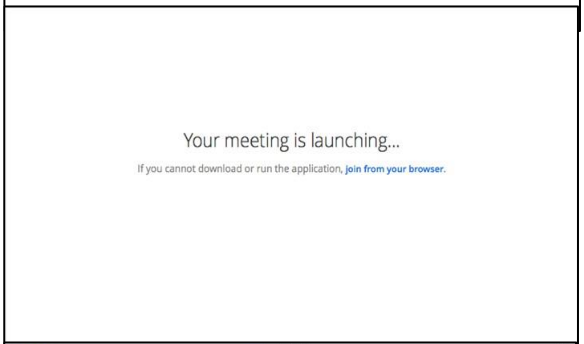
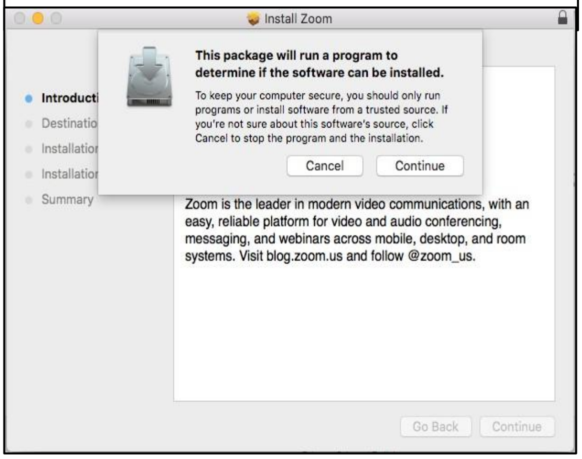


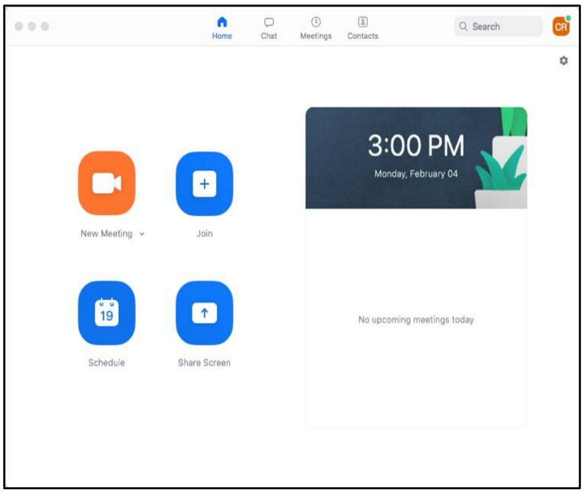
1. Go to https://zoom.us/join.
2. In the top right-hand corner, click "JOIN A MEETING".
3. The webpage will prompt you for your **Meeting ID or Personal Link Name**; type in the 9-11digit number that your instructor provided you with, and click "Join".



4. You will see this screen – the application may automatically download to your desktop or device.

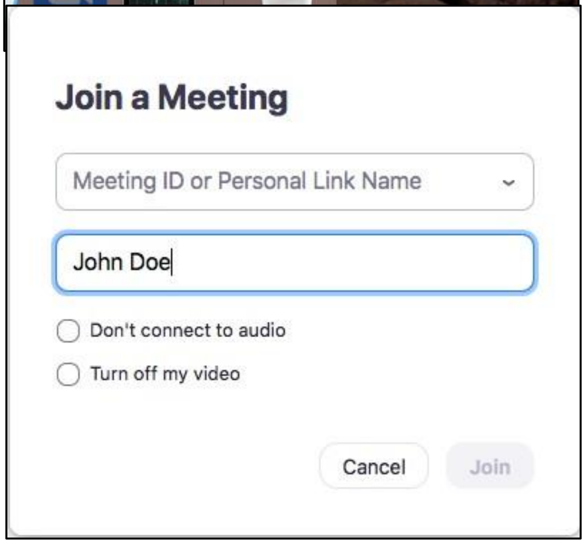


5. Depending on what browser you are using, you may have to install the program on your computer; find where this installation package went on your computer; It should be downloaded as "Zoom.pkg" or something similar.
6. Begin the download process (it will take a moment).



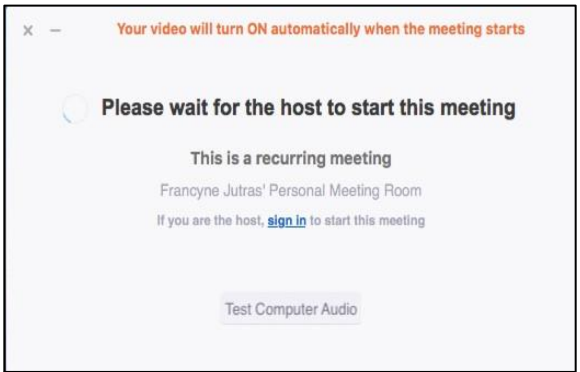
7. Once downloaded successfully, the application will pop-up on your screen;
a. Click the orange "New Meeting" button if you wish to start a meeting with your own personal Meeting ID (you will be the host).
b. Click the blue "Join" button if you are attending a meeting hosted by someone else (If you are a student, this will be the option you will choose the most).

8. If you need to change the **language** of your application, find the application on your desktop, open it, then right-click the application; there should be an option to change the language in this drop-down menu.

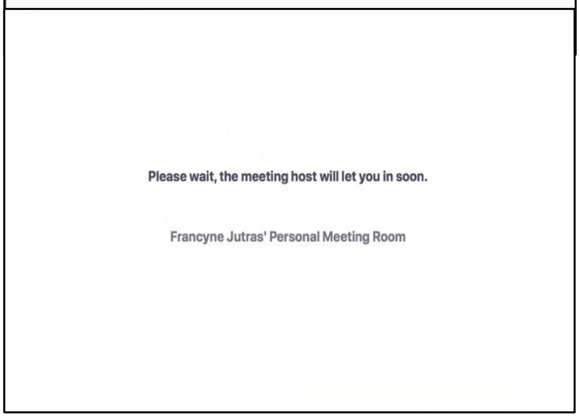


9. If you clicked the blue "Join" button, type in your instructor's Meeting ID again.
10. Provide a screen name for yourself (Please use
your first and last name so your instructor knows who you are).
11. If you do not want to join with audio or video, check those options before joining (you can add your video and audio again after you've joined the meeting).

12. Once you have been added to the meeting, you will be left in the "waiting room".
13. You will see either one of two messages:



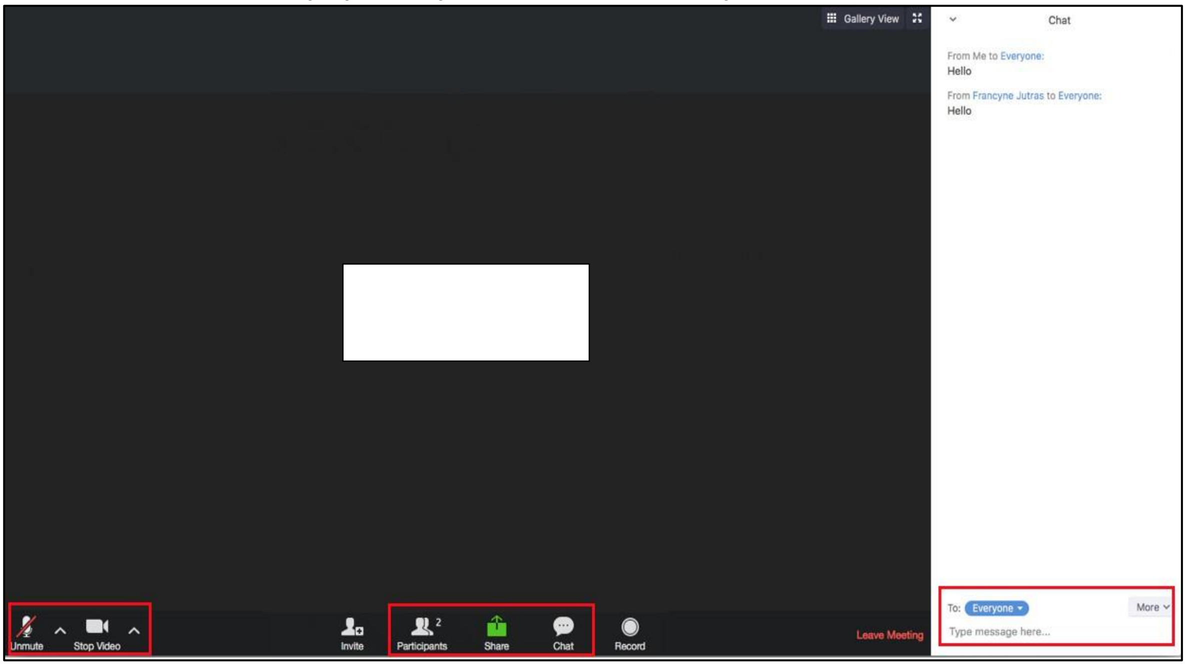
a) The first one you will see if you log in to your Host's meeting with the Meeting ID before the Host has started;

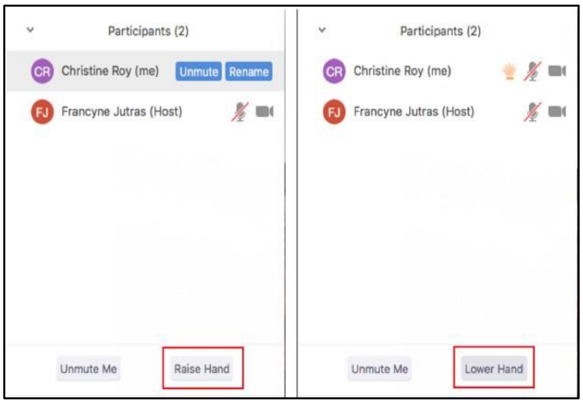


b) The second being the one you will see if you log in after the Host has arrived, but before they have provided you access.

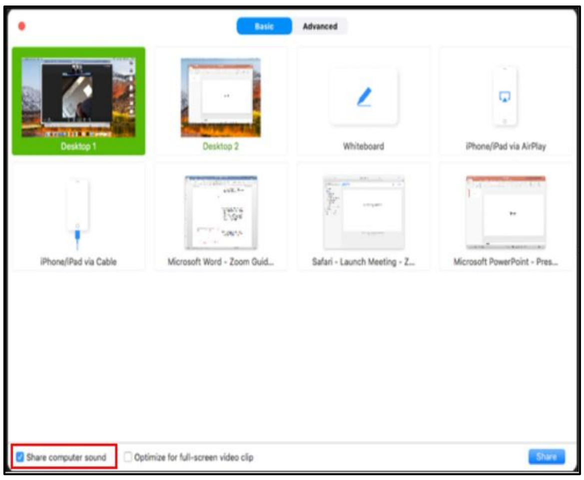
Navigating ZOOM

1. After joining a meeting, if you selected “Join with Computer Audio”, your speakers and microphone should now be working.
2. You can mute or unmute your microphone or start your video connection using the icons in the bottom left (highlighted in RED in the bottom left-hand corner).
3. To see a list of other people in your program, you can click the Participants icon, or engage in a text chat by clicking CHAT.
4. You can leave the meeting by clicking the red “Leave Meeting” link near the chat bar.



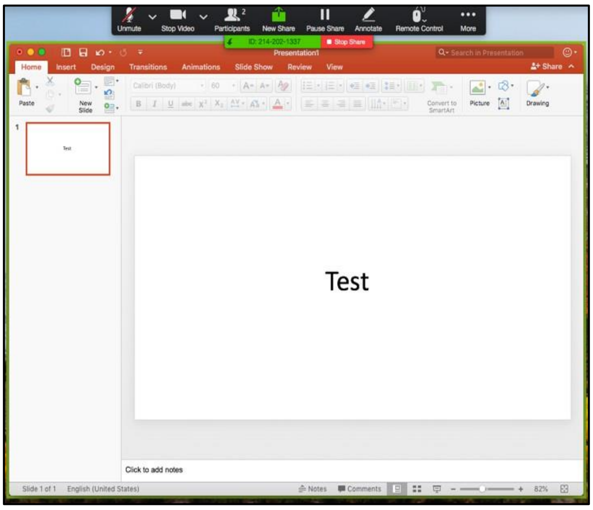


5. If you go to the participants icon, you can “raise your hand,” and the Host will see this indicated on their screen, and will answer your question.



6. Share anything (Word Documents, PowerPoints, YouTube videos, etc.) by clicking the SHARE button at the bottom of the screen, and choosing an already opened document/internet browser on your desktop.
7. You can choose to share your entire desktop screen, or individually opened applications/documents.
8. When sharing things with audio, be sure to check the checkbox for “Share Computer Sound”

in the bottom left of the window that opens when you click SHARE (highlighted in RED).



9. Once selected, the document that is being shared will be highlighted in green on your desktop; your settings for the shared document are at the top.

10. Your audience will be able to see your curser, and everything you do, within the highlighted green section (you can only work on the selected document – you cannot drag other documents into the selected document area).

11. If you wish to share a different document, exit, then click SHARE, and select a new document.

Please visit https://support.zoom.us/hc/en-us for more information about ZOOM.

Summary of Zoom Links

Zoom	Link
Great Hall Zoom	https://us06web.zoom.us/j/84400893905
Zoom A1.1	https://us06web.zoom.us/j/84040557636
Zoom A1.2	https://us06web.zoom.us/j/85489294175
Zoom A1.3	https://us06web.zoom.us/j/87227191745
Zoom A1.4	https://us06web.zoom.us/j/82488466329
Zoom A2.1	https://us06web.zoom.us/j/85011139788
Zoom A2.2	https://us06web.zoom.us/j/87577118834
Zoom A2.3	https://us06web.zoom.us/j/85640692342
Zoom A2.4	https://us06web.zoom.us/j/86095984494
Zoom B1.1	https://us06web.zoom.us/j/89491105928
Zoom B1.2	https://us06web.zoom.us/j/85471698752
Zoom B1.3	https://us06web.zoom.us/j/83219499954
Zoom B1.4	https://us06web.zoom.us/j/81127263382
Zoom B2.1	https://us06web.zoom.us/j/84926835769
Zoom B2.2	https://us06web.zoom.us/j/84720769963
Zoom B2.3	https://us06web.zoom.us/j/81555810621
Zoom B2.4	https://us06web.zoom.us/j/87438148170
Zoom C1.1	https://us06web.zoom.us/j/89995788161
Zoom C1.2	https://us06web.zoom.us/j/88066680691
Zoom C1.3	https://us06web.zoom.us/j/84458958870
Zoom C1.4	https://us06web.zoom.us/j/84542810490
Zoom C2.1	https://us06web.zoom.us/j/86163922632
Zoom C2.2	https://us06web.zoom.us/j/86117327977
Zoom C2.3	https://us06web.zoom.us/j/89818144954
Zoom C2.4	https://us06web.zoom.us/j/89485203438

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