AVSE GLOBAL

HỌC VIỆN NGÂN HÀNG
BANKING ACADEMY OF VIETNAM

ISAFE
International Society for the Advancement of Financial Economics

EMLV
BUSINESS SCHOOL DE VINCI PARIS

MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA
UNIVERSITY OF NEW ZEALAND

2023

26 - 28 OCTOBER
HA NOI, VIETNAM

VIETNAM SYMPOSIUM in Banking and Finance

https://vsbf2023.sciencesconf.org/

Summary

Welcoming note

We are very pleased to welcome you to the seventh edition of the **Vietnam Symposium in Banking and Finance** (VSBF-2023, 26-28 October 2023), 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 **EMLV Business School** and **Massey University**.

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 three outstanding Guest Keynote Speakers, **Dr Jean-François Boulier from French Asset Owners Association** (Af2i, France), **Professor Marc Goergen from IE University** (Spain), and **Professor John Goodell from University of Akron** (United States). We also have a great pleasure to welcome **Professor Arman Eshraghi from Cardiff Business School** (United Kingdom) to join us in the 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 Endre Boros (Editor-in-Chief of *Annals of Operations Research*), Professor Douglas Cumming (Managing Editor-in-Chief of *Review of Corporate Finance*), Professor Derek W. Bunn (Editor-in-Chief of *Journal of Forecasting*), Professor Ioannis Tsalavoustas and Professor Xiaoqian Zhu (Editors of *Journal of International Financial Management & Accounting*), who have kindly agreed to consider publishing a selection of high-quality papers in their journals. We are also grateful to Prof. Sabri Boubaker, Assoc. Prof. Hung Do, Dr. Linh Pham, and Dr. Vu Trinh (Co-Guest Editors of *International Review of Economics and Finance*), Dr. Sofia Johan, and Assoc. Prof. Farhad Taghizadeh-Hesary (Co-Guest Editors of the *Global Finance Journal*), who have kindly agreed to attach their special issues with our conference.

Finally, we would like to thank Professor Huu Toan Bui (Chairman, Board of Trustee, Banking Academy of Vietnam) and Professor Thanh Que Mai (Vice-President, 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 environment of the conference!

On behalf of the Organizing and Scientific Committees

The Conference Co-Chairs

Sabri Boubaker, Hung Xuan Do, Duc Khuong Nguyen and Viet Dung Tran

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
- Digital finance
- 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

Keynote Speakers

Dr Jean-François Boulier
Af2i Honorary Chairman, Editor-in-Chief of Bankers, Markets & Investors

Jean-François Boulier began his career in 1981 at Grenoble Institute of Mechanics, then between 1985 and 1987 was a research officer with CNRS. In 1987, he joined the CCF Group, where he was responsible for quantitative analysis in the Economic and Financial Studies department. Two years later, he created and became head of the Research and Innovation department. At the same time, in 1996 he was appointed Director of Market Risks. In 1999, he became Managing Director and Director of Research and Management at SINOPIA Asset Management. In September 2002, he was made Assistant Administrative Director and Head of Rate Management at Crédit Lyonnais Asset Management, then in January 2004, following the merger, Head of Euro Rate Management and Credit at Crédit Agricole Asset Management. He joined the Aviva Group in March 2008 as Managing Director and Director of Investment for Aviva Investors France and became Chairman of their Board in September 2009. He then went on to be Managing Director of Aviva Investors Europe from 2010 to 2013 and later CIO for Global Fixed Income in 2014. From 2015, he continued as Director of Paris business with Aviva Investors France. In 2017 he left Aviva and was elected Chairman of French Asset Owners association, Af2i, and became Honorary chairman in 2020 at the end of his mandate.

In addition to his work in finance, Jean-François Boulier has also worked as a part-time lecturer, first at Paris VII Jussieu (Laure Elie) University between 1993 and 1999, then at Paris Dauphine University between 2000 and 2006.

Professor Arman Eshraghi

Deputy Head of Section for Research, Impact, and Innovation, Cardiff Business School, United Kingdom

Arman Eshraghi holds the Chair of Finance and Investment at Cardiff Business School. He is a Shimomura Fellow of the Development Bank of Japan, Fellow of the UK Higher Education Academy and the Centre for Study of Decision-Making Uncertainty at UCL. At Cardiff, Arman directs the Fintech Research Group, and serves as Deputy Head of Section for Research, Impact and Innovation.

Formerly, Arman was an Associate Professor of Finance at the University of Edinburgh and has held visiting positions at the University of Manchester and University College London. Prior to academia, he was a management consultant in the banking and telecom sectors. Arman holds a Ph.D. in Finance from the University of Edinburgh, an MBA with a finance concentration, and a BSc in Electrical Engineering, both from Sharif University in Tehran. His doctoral and post-doctoral research was Highly Commended by EFMD Global, the Emerald Literati Award, the Scottish Financial Enterprise Rising Star Award, and the EFG Young Scholar Award.

Professor Marc Goergen

Professor of Finance, IE Business School, IE University, Spain, Associate Editor of the British Journal of Management, British Accounting Review, and the European Journal of Finance

Marc Goergen is a Professor of Finance at IE Business School. Previous appointments include UMIST and the Universities of Cardiff, Manchester, Reading, and Sheffield. Marc is a Research Member of the European Corporate Governance Institute (ECGI; www.ecgi.global) and a former member of the Corporate Governance Committee of the Institute of Chartered Accountants of England and Wales (ICAEW). Marc is an Associate Editor of the British Journal of Management, the British Accounting Review, and the European Journal of Finance. Previously, he also served as an Associate Editor of the Journal of Corporate Finance and the Journal of Banking and Finance.

He has published widely on corporate governance and finance in academic journals, including the Journal of Finance, Journal of Corporate Finance, British Journal of Management, Industrial Relations, and the Journal of Law, Economics, and Organization. He is also the author of three research monographs as well a successful textbook on corporate governance.

Professor John Goodell

Professor of Finance, University of Akron, United States, Editor-in-Chief of Research in International Business and Finance

John W. Goodell is a Professor in the College of Business of The University of Akron. His research interests focus on the impact on financial systems of national culture, and institutions. In 2011 he received the Stockholm School of Economics/Women in the Academy of International Business Award for Increased Gender Awareness in International Business Research. His research has been highlighted in numerous media outlets including the Washington Post, PBS NewsHour, and Bloomberg Businessweek, as well as the blogs of the Columbia University and Duke University law schools. He is formerly Assistant Editor of the Journal of Teaching in International Business, and formerly served on the Board of the Southwestern Finance Association. Since completing his PhD from Kent State University in 2008, he has co-authored over 115 articles and book chapters, including articles in the Journal of Banking and Finance, International Business Review, Energy Economics, and the Journal of Business Ethics. He is currently Editor-in-Chief of Elsevier's Research in International Business and Finance; as well as an Associate Editor for several leading finance journals. He is frequently invited to speak at international conferences and events.

Committees

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Professor of Finance
EM Normandie Business School, France & Swansea University, United Kingdom
President, *ISAFE*

Duc Khuong Nguyen
Professor of Finance
EMLV Business School
Non-Resident Research Fellow
Indiana University
President, *AVSE Global*

Hung Xuan Do
Associate Professor of Finance
Massey University
Director of Finance and Banking Network, *AVSE Global*

Viet Dung Tran
Associate Professor of Finance
Banking Academy of Vietnam

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ORGANIZING COMMITTEE

Thuy Dao (**Organizing Coordinator**), *IPAG Business School, France & AVSE Global*
Hung Do (**Scientific Coordinator**), *Massey University, New Zealand & AVSE Global*
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Duc Anh Pham, *Banking Academy of Vietnam*
Hoang Diep Hoang Truong, *Banking Academy of Vietnam*
Nhat Minh Nguyen, *Banking Academy of Vietnam*
Huong Tra Le, *Banking Academy of Vietnam*

Associated Journals

Special issue of International Review of Economics and Finance, titled "Climate Governance, Green Innovation, and Investment Policies" under the Guest-editorship of Prof. Sabri Boubaker, Assoc. Prof. Hung Do, Dr. Linh Pham, and Dr. Vu Trinh. See Call for papers for more details.

Special issue of Global Finance Journal, titled "Digital Finance for Technological Progress", under the Guest-editorship of Prof. Sabri Boubaker, Dr. Sofia Johan, and Assoc. Prof. Farhad Taghizadeh-Hesary. 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 Management & Accounting, and Review of Corporate Finance, authors of best conference papers will be invited to submit their papers to a regular issue of the Journals.

Conference Venue

Banking Academy of Vietnam

12 Chua Boc, Quang Trung, Dong Da, Ha Noi, Vietnam

Notes for ONSITE Participants

ALL Keynote sessions: GREAT HALL, Building D1 as in the below map

ALL Parallel sessions: Building D3 as in the below map

Onsite Rooms are noted in the **Program At a Glance** section for each session

Coffee breaks (8:00 – 8:30am of 26 & 27 October 2023): Room 106, Building D1

Coffee breaks (others): First Floor, Building D3

ALL Lunch breaks: Room 106, Building D1

1. Building A1
2. Building A2
3. Building D1
4. Building D4
5. Building D5
6. Building D6
7. Building D3
8. Dormitory C2
9. Dormitory C1
10. Bookshop
11. Dining Hall
12. Building D2
13. Building E1
14. Building B2
15. Dormitory C3
16. Dormitory C4
17. Library B3
18. Student Union
19. Building B1

- Front gate
- Back gate
- Tennis court
- Football pitch

Program At a Glance

Links to the session's papers are embedded in the session name
Links to Zoom meetings are embedded in the row "Online Zoom"

THURSDAY, OCTOBER 26, 2023

Time	Zone	Onsite & Online Presenters			Only Online Presenters		
Parallel Sessions		**1**	**2**	**3**	**4**	**5**	**6**
8:00 - 8:30		**Registration & Coffee** **1st FLOOR**					
8:30- 9:00		**Welcome and Opening Remarks** **GREAT HALL**					
9:00 - 10:00	**A1**	**Keynote I: A tour around the boardroom: Some reflections on how to design boards** **Professor Marc Goergen** IE Business School, IE University, Spain **GREAT HALL (Zoom Link)**					
10:00 - 10:30		**Coffee break**					
10:30 - 12:00	**A2**	Banking Regulation & Fin. Services I Room D3.101 Online Zoom A2.1	Corporate Finance I Room D3.102 Online Zoom A2.2	Portfolio Mgt. and Optimization Room D3.103 Online Zoom A2.3	Behavioral Finance I Room D3.104 Online Zoom A2.4	Digital Finance Room D3.105 Online Zoom A2.5	Finance and Sustainability I Room D3.201 Online Zoom A2.6
12:00 - 13:30		**Lunch Break**					
13:30 - 14:30	**B1**	**Meet the Editors Session** **Professor Sabri Boubaker** **Dr Jean-François Boulier** **Professor Arman Eshraghi** **Professor Marc Goergen** **GREAT HALL (Zoom Link)**					
14:30 - 15:00		**Coffee break**					
15:00 - 16:30	**B2**	Finance and Sustainability II Room D3.101 Online Zoom B2.1	Monetary and Fin. Macro-economics Room D3.102 Online Zoom B2.2	Investment Funds Room D3.103 Online Zoom B2.3	Behavioral Finance II Room D3.104 Online Zoom B2.4	Banking Regulation & Fin. Services II Room D3.105 Online Zoom B2.5	Corporate Finance I Room D3.201 Online Zoom B2.6

FRIDAY, OCTOBER 27, 2023

Time	Zone	Onsite & Online Presenters			Only Online Presenters		
Parallel Sessions		1	2	3	4	5	6
8:00 - 8:30		Registration & Coffee 1st FLOOR					
8:30 - 9:30	A1	**Keynote II: Is ESG non-pecuniary?** **Professor John Goodell** University of Akron, United States **GREAT HALL (Zoom Link)**					
9:30 - 10:00		**Coffee break**					
10:00 - 11:30	A2	Finance and Sustainability III Room D3.101 Online Zoom A2.1	Behavioral Finance III Room D3.102 Online Zoom A2.2	Small and Medium Enterprises Finance Room D3.103 Online Zoom A2.3	Asset Pricing and Allocation I Room D3.104 Online Zoom A2.4	Banking Regulation & Fin. Services III Room D3.105 Online Zoom A2.5	Corporate Finance III Room D3.201 Online Zoom A2.6
11:30 - 13:00		**Lunch Break**					
13:00 – 14:00	B1	**Keynote III: Finance 2.0: How Sustainable Finance is reshaping practices and research** **Dr. Jean-François Boulier** Af2i Honorary Chairman **GREAT HALL (Zoom Link)**					
14:00 - 14:30		**Coffee break**					
14:30 - 16:00	B2	Finance and Sustainability IV Room D3.101 Online Zoom B2.1	Banking Regulation & Fin. Services IV Room D3.102 Online Zoom B2.2	Financial Markets, Institutions & Money Room D3.103 Online Zoom B2.3	Corporate Governance Room D3.104 Online Zoom B2.4	Banking System and Macro-economics Room D3.105 Online Zoom B2.5	Corporate Finance IV Room D3.201 Online Zoom B2.6
19:00 – 22:00		**GALA DINNER** LUC THUY RESTAURANT & LOUNGE 16 LE THAI TO STREET, HOAN KIEM DISTRICT, HANOI **(Bus picking up participants departs from Banking Academy of Vietnam at 18:00)**					

SATURDAY, OCTOBER 28, 2023

Time	Zone	Onsite & Online Presenters			Only Online Presenters		
Parallel Sessions		1	2	3	4	5	6
8:00 - 8:30		Registration & Coffee 1st FLOOR					
8:30 - 10:00	A1	Market Behavior and Efficiency Room D3.101 Online Zoom A1.1	Behavioral Finance IV Room D3.102 Online Zoom A1.2	Market Microstructure Room D3.103 Online Zoom A1.3	Asset Pricing and Allocation II Room D3.104 Online Zoom A1.4	Banking Regulation & Fin. Services V Room D3.105 Online Zoom A1.5	Corporate Finance V Room D3.201 Online Zoom A1.6
10:00 - 10:30		Coffee Break					
10:30 - 12:00	A2	Risk Management Room D3.101 Online Zoom A2.1	Corporate Finance VI Room D3.102 Online Zoom A2.2	Financial Crises and Contagion Room D3.103 Online Zoom A2.3	Commodity Markets Room D3.104 Online Zoom A2.4	Macro-Financial Linkages Room D3.105 Online Zoom A2.5	
12:00 - 13:30		Lunch Break & Concluding Remarks					
		END OF CONFERENCE					

Program Overview

Thursday, 26 October 2023

08:00 – 08:30	**Registration & Coffee**	**1st FLOOR**

08:30 – 09:00	**Welcome and Opening Remarks**	**GREAT HALL**
	Huu Toan Bui, *Chairman, Board of Trustee, Banking Academy of Vietnam, Vietnam* **Thanh Que Mai,** *Vice-President, Banking Academy of Vietnam, Vietnam* **Sabri Boubaker,** *Professor of Finance, EM Normandie Business School, France & Swansea University, United Kingdom, President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen,** *Professor of Finance, Associate Dean, EMLV Business School, France & President, AVSE Global* **Hung Xuan Do**, *Associate Professor of Finance, Massey University, New Zealand & Director of Finance and Banking Network, AVSE Global, Conference Co-Chair* **Viet Dung Tran,** *Associate Professor of Finance, Director of Banking Research Institute, Banking Academy of Vietnam & Conference Co-Chair*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: A tour around the boardroom: Some reflections on how to design boards**	**GREAT HALL**
	**Professor Marc Goergen**, *Professor of Finance, IE Business School, IE University, Spain, Associate Editor of the British Journal of Management, British Accounting Review, and the European Journal of Finance*	

10:00 – 10:30	**Coffee Break**	**1st FLOOR**

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

10:30 – 12:00	**A2.1: Banking Regulation and Financial Services I**	ZOOM A2.1
	Chair: Philip Kalikman (*University of Cambridge, United Kingdom*)	

10:30 – 12:00	**A2.2: Corporate Finance I**	ZOOM A2.2
	Chair: Viet-Dung Doan, *Hong Kong Baptist University, Hong Kong SAR China*	

10:30 – 12:00	**A2.3: Portfolio Management and Optimization**	ZOOM A2.3
	Chair: Rengim Cetingoz, *Université Paris 1 Panthéon-Sorbonne, France*	

10:30 – 12:00	**A2.4: Behavioral Finance I**	ZOOM A2.4
	Chair: Ken Qiu, Millsaps College, United States	

10:30 – 12:00	**A2.5: Digital Finance**	ZOOM A2.5
	Chair: Daniel Rabetti, *National University of Singapore, Singapore*	

10:30 – 12:00	**A2.6: Finance and Sustainability I**	ZOOM A2.6
	Chair: Guanming He, *Durham University, United Kingdom*	

12:00 – 13:30	**Lunch Break**	**1st FLOOR**

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

13:30 – 14:30	**Topic: Meet the Editors Session**	**GREAT HALL**

Sabri Boubaker
Professor of Finance, EM Normandie Business School & Swansea University & Editor of Journal of International Financial Management & Accounting

Jean-François Boulier
Af2i Honorary Chairman
Editor of Bankers, Markets & Investors

Arman Eshraghi
Professor of Finance, Cardiff University & Co-Editor of International Review of Economics & Finance, Senior Editor of Finance Research Letters and Global Finance Journal

Marc Goergen
Professor of Finance, IE Business School, IE University, Spain, Associate Editor of the British Journal of Management, British Accounting Review, and the European Journal of Finance

14:30 – 15:00	**Coffee Break**	**1st FLOOR**

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

15:00 – 16:30	**B2.1: Finance and Sustainability II**	ZOOM B2.1
	Chair: Ngoc Sao Ly Nguyen, *University of Huddersfield, United Kingdom*	

15:00 – 16:30	**B2.2: Monetary and Financial Macro-economics**	ZOOM B2.2
	Chair: Kengo Nutahara, *Senshu University, Japan*	

15:00 – 16:30	**B2.3: Investment Funds**	ZOOM B2.3
	Chair: Dominic Rainsborough, *University of St. Gallen, Switzerland*	

15:00 – 16:30	**B2.4: Behavioral Finance II**	ZOOM B2.4
	Chair: Yiyuan Xu, *University of Birmingham, United Kingdom*	

15:00 – 16:30	**B2.5: Banking Regulation and Financial Services II**	ZOOM B2.5

	Chair: **Renaud Beaupain**, *IESEG School of Management, France*	

15:00 – 16:30	**B2.6: Corporate Finance II**	ZOOM B2.6
	Chair: **Taylan Mavruk**, *University of Gothenburg, Sweden*	

Friday, 27 October 2023

08:00 – 08:30	**Registration & Coffee**	**1st FLOOR**

08:30 – 9:30 Keynote Address (A1)

08:30 – 9:30	**Topic: Is ESG non-pecuniary?**	**GREAT HALL**
	**Professor John Goodell**, *Professor of Finance, University of Akron, United States, Editor-in-Chief of Research in International Business and Finance*	

9:30 – 10:00	**Coffee Break**	**1st FLOOR**

10:00 – 11:30 Morning Parallel Sessions (A2)

10:00 – 11:30	**A2.1: Finance and Sustainability III** **Chair:** **Vijay Kumar**, *University of Waikato, New Zealand*	ZOOM A2.1
10:00 – 11:30	**A2.2: Behavioral Finance III** **Chair:** **Arman Eshraghi**, *Cardiff Business School, United Kingdom*	ZOOM A2.2
10:00 – 11:30	**A2.3: Small and Medium Enterprises Finance** **Chair:** **Myint Moe Chit**, *University of Nottingham Malaysia, Malaysia*	ZOOM A2.3
10:00 – 11:30	**A2.4: Asset Pricing and Allocation I** **Chair:** **Sai Ke**, *University of Mississippi, United States*	ZOOM A2.4
10:00 – 11:30	**A2.5: Banking Regulation and Financial Services III** **Chair:** **Lindsay Baran**, *Kent State University, United States*	ZOOM A2.5
10:00 – 11:30	**A2.6: Corporate Finance III** **Chair:** **Nhan Huynh**, *Macquarie University, Australia*	ZOOM A2.6

11:30 – 13:00	**Lunch Break**	**1st FLOOR**

13:00 – 14:00 Keynote Address (B1)

13:00 – 14:00	**Topic: Finance 2.0: How Sustainable Finance is reshaping practices and research**	**GREAT HALL**
	**Dr. Jean-François Boulier**, *Af2i Honorary Chairman, Editor-in-Chief of Bankers, Markets & Investors*	

14:00 – 14:30	**Coffee Break**	**1st FLOOR**

14:30 – 16:00 Afternoon Parallel Sessions (B2)

14:30 – 16:00	**B2.1: Finance and Sustainability IV**	ZOOM B2.1
	Chair: Andrew Lepone, *Macquarie University, Australia*	
14:30 – 16:00	**B2.2: Banking Regulation and Financial Services IV**	ZOOM B2.2
	Chair: Michiru Sawada, *Nihon University, Japan*	
14:30 – 16:00	**B2.3: Financial Markets, Institutions, and Money**	ZOOM B2.3
	Chair: Xuan Nguyen, *Deakin University, Australia*	
14:30 – 16:00	**B2.4: Corporate Governance**	ZOOM B2.4
	Chair: Marc Berninger, *Technical University of Darmstadt, Germany*	
14:30 – 16:00	**B2.5: Banking System and Macro-economics**	ZOOM B2.5
	Chair: Mario Eboli, *Università 'G. d'Annunzio', Italy*	
14:30 – 16:00	**B2.6: Corporate Finance IV**	ZOOM B2.6
	Chair: Jan Pieter Veerhoek, *University of Antwerp, Belgium & Maastricht University, Netherlands*	

19:00 – 22:00 GALA DINNER

LUC THUY RESTAURANT & LOUNGE

16 LE THAI TO STREET, HOAN KIEM DISTRICT, HANOI

(Bus picking up participants departs from Banking Academy of Vietnam at 18:00)

Saturday, 28 October 2023

08:00 – 08:30	Registration & Coffee	1st FLOOR

8:30 – 10:00 Morning Parallel Sessions (A1)

8:30 – 10:00	**A1.1: Market Behavior and Efficiency**	ZOOM A1.1
	Chair: **Henry Leung**, *The University of Sydney, Australia*	
8:30 – 10:00	**A1.2: Behavioral Finance IV**	ZOOM A1.2
	Chair: **Jarkko Peltomaki**, *Stockholm University, Sweden*	
8:30 – 10:00	**A1.3: Market Microstructure**	ZOOM A1.3
	Chair: **Katsumasa Nishide**, *Hitotsubashi University, Japan*	
8:30 – 10:00	**A1.4: Asset Pricing and Allocation II**	ZOOM A1.4
	Chair: **David Feldman**, *University of New South Wales, Sydney, Australia*	
8:30 – 10:00	**A1.5: Banking Regulation and Financial Services V**	ZOOM A1.5
	Chair: **Van Son Lai**, *Laval University, Canada*	
8:30 – 10:00	**A1.6: Corporate Finance V**	ZOOM A1.6
	Chair: **Melanie Cao**, *York University, Canada*	
10:00 – 10:30	Coffee Break	1st FLOOR

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

10:30 – 12:00	**A2.1: Risk Management**	ZOOM A2.1
	Chair: **Ruey-Ching Hwang**, *National Dong Hwa University, Taiwan*	
10:30 – 12:00	**A2.2: Corporate Finance VI**	ZOOM A2.2
	Chair: **Thi-Thanh Phan**, *National Chengchi University, Taiwan*	
10:30 – 12:00	**A2.3: Financial Crises and Contagion**	ZOOM A2.3
	Chair: **Jakhongir Kakhkharov**, *Australian Catholic University, Australia*	
10:30 – 12:00	**A2.4: Commodity Markets**	ZOOM A2.4
	Chair: **Mona Zorguati**, *IPAG Business School, France*	
10:30 – 12:00	**A2.5: Macro-Financial Linkages**	ZOOM A2.5
	Chair: **Abhay Pratap Raghuvanshi**, *Indian Institute of Technology Kanpur, India*	
12:00 – 13:30	Lunch Break & Concluding Remarks	1st FLOOR

END OF CONFERENCE

Program in Details

Thursday, 26 October 2023

08:00 – 08:30	**Registration & Coffee**	**1st FLOOR**

08:30 – 09:00	**Welcome and Opening Remarks**	**GREAT HALL**
	Huu Toan Bui, *Chairman, Board of Trustee, Banking Academy of Vietnam, Vietnam* **Thanh Que Mai,** *Vice-President, Banking Academy of Vietnam, Vietnam* **Sabri Boubaker,** *Professor of Finance, EM Normandie Business School, France & Swansea University, United Kingdom, President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen,** *Professor of Finance, Associate Dean, EMLV Business School, France & President, AVSE Global* **Hung Xuan Do**, *Associate Professor of Finance, Massey University, New Zealand & Director of Finance and Banking Network, AVSE Global, Conference Co-Chair* **Viet Dung Tran,** *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: A tour around the boardroom: Some reflections on how to design boards**	**GREAT HALL**
	**Professor Marc Goergen**, *Professor of Finance, IE Business School, IE University, Spain, Associate Editor of the British Journal of Management, British Accounting Review, and the European Journal of Finance*	

10:00 – 10:30	**Coffee Break**	**1st FLOOR**

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

10:30 – 12:00	**A2.1: Banking Regulation and Financial Services I**	ZOOM A2.1
	Chair: Philip Kalikman (*University of Cambridge, United Kingdom*)	Discussant
	Targeted Principal Forgiveness Is Effective: Mortgage Modification and Financial Crisis **Philip Kalikman** (*University of Cambridge, United Kingdom*), Joelle Scally (*Federal Reserve Bank of New York, United States*)	**Amine Tarazi** (*Université de Limoges, France*)
	Liquidity Shock and Bank Risk **Amine Tarazi** (*Université de Limoges, France*), Isabelle Distinguin (*Université de Limoges, France*), Oussama Labchara (*Université de Limoges, France*)	**Hongyu Shan** (*China Europe International Business School (CEIBS), China*)
	Intangible Customer Capital and Bank Resilience **Hongyu Shan** (*China Europe International Business School (CEIBS), China*), Joel Houston (*University of Florida, United States*), Yu Shan (*Syracuse University, United States*)	**Philip Kalikman** (*University of Cambridge, United Kingdom*)

10:30 – 12:00	**A2.2: Corporate Finance I**	ZOOM A2.2
	Chair: Viet-Dung Doan, *Hong Kong Baptist University, Hong Kong SAR China*	Discussant
	CEO Narcissism and Dividend Policy **Moon Deok Park** (*Korea Advanced Institute of Science and Technology (KAIST), South Korea*), Seung Hun Han (*Korea Advanced Institute of Science and Technology (KAIST), South Korea*)	**Viet-Dung Doan** (*Hong Kong Baptist University, Hong Kong SAR China*)
	The effects of a financial covenant on optimal capital structure and firm value **Michi Nishihara** (*Osaka University, Japan*), Takashi Shibata (*Tokyo Metropolitan University, Japan*)	**Moon Deok Park** (*Korea Advanced Institute of Science and Technology (KAIST), South Korea*)
	Informed Investors and Underpricing in Municipal Bond Offerings **Viet-Dung Doan** (*Hong Kong Baptist University, Hong Kong SAR China*)	**Michi Nishihara** (*Osaka University, Japan*)

10:30 – 12:00	**A2.3: Portfolio Management and Optimization**	ZOOM A2.3
	Chair: Rengim Cetingoz, *Université Paris 1 Panthéon-Sorbonne, France*	Discussant
	About the Existence of Risk Budgeting Portfolios and their Calculation **Rengim Cetingoz** (*Université Paris 1 Panthéon-Sorbonne - UFR Mathématiques & Informatique, France*), Olivier Guéant (*Université Paris 1 Panthéon-Sorbonne - UFR Mathématiques & Informatique, France*), Jean-David Fermanian (*École Nationale de la Statistique et de l'Administration Économique, France*)	**Thanh Vu** (*University of Auckland, New Zealand*)
	A Century of Asset Allocation Crash Risk **Nonna Sorokina** (*The Pennsylvania State University, United States*), Mikhail Samonov (*The Pennsylvania State University, United States, & Two Centuries Investments, United States*)	**Rengim Cetingoz** (*Université Paris 1 Panthéon-Sorbonne - UFR Mathématiques & Informatique, France*)
	Gold in household portfolios during a pandemic: Evidence from an emerging economy **Sanket Mohapatra** (*Indian Institute of Management Ahmedabad, India*), Oindrila Chatterjee (*Indian Institute of Management Ahmedabad, India*), Balagopal Gopalakrishnan (*Indian Institute of Management Ahmedabad, India*)	**Nonna Sorokina** (*The Pennsylvania State University, United States*)

10:30 – 12:00	**A2.4: Behavioral Finance I**	ZOOM A2.4
	Chair: Ken Qiu, Millsaps College, United States	Discussant
	Investor sentiment and stock price crash risk: Global evidence **Lan Xiang** (*Hunan University, China*), Darren Duxbury (*Newcastle University, United Kingdom*), Wenzhao Wang (*- The Business School, Edinburgh Napier University, United Kingdom*)	**Shuai Yue** (*Massey University, New Zealand*)
	Political connection and stock price crash risk: evidence from the environmental protection inspection **Shuai Yue** (*Massey University, New Zealand*), Hamish Anderson (*Massey University, New Zealand*), Jing Liao (*Massey University, New Zealand*)	**Ken Qiu** (*Millsaps College, United States*)
	CEO Network Connections and Real Earnings Management: International Evidence **Ken Qiu** (*Millsaps College, United States*)	**Lan Xiang** (*Hunan University, China*)

10:30 – 12:00	**A2.5: Digital Finance**	ZOOM A2.5
	Chair: **Daniel Rabetti**, *National University of Singapore, Singapore*	Discussant
	Auditing Decentralized Finance (DeFi) Protocols **Daniel Rabetti** (*National University of Singapore, Singapore*)	**Ling Yu** (*Central University of Finance and Economics, China*)
	Impact of FinTech on Stock Price Liquidity **Khalil Jebran** (*Dongbei University of Finance and Economics, China*), Ullah Irfan (*School of Finance Jiangxi Normal University, China*), Mohib Ur Rahman (*School of Economics and Management University of Buner, Pakis*)	**Daniel Rabetti** (*National University of Singapore, Singapore*)
	Does digitalization promote the effectiveness of commercial reform: Evidence from stock price crash risk? Guanming He (*Durham University, United* Kingdom), Zhichao Li (*University of Exeter, United* Kingdom), **Ling Yu** (*Central University of Finance and Economics, China*), Zhanqiang Zhou (*Central University of Finance and Economics, China*)	**Khalil Jebran** (*Dongbei University of Finance and Economics, China*)

10:30 – 12:00	**A2.6: Finance and Sustainability I**	ZOOM A2.6
	Chair: **Guanming He**, *Durham University, United Kingdom*	Discussant
	Contribution to poverty alleviation: A waste or benefit for corporate financing? **Guanming He** (*Durham University, United Kingdom*), Zhichao Li (*University of Exeter, United Kingdom*), Ling Yu (*Central University of Finance and Economics, China*), Zhanqiang Zhou (*Central University of Finance and Economics, China*)	**Md Shahedur Rahaman Chowdhury** (*Arkansas Tech University, United States*)
	Does being Ethical Pay? Evidence from the Implementation of SOX Section 406 **Saurabh Ahluwalia** (*University of New Mexico, United States*), Linda Ferrell (*Auburn University, United States*), O. C. Ferrell (*Auburn University, United States*), Priyank Gandhi (*Rutgers University, United States*)	**Guanming He** (*Durham University, United Kingdom*)
	Geopolitical Risk and Corporate Social Responsibility **Md Shahedur Rahaman Chowdhury** (*Arkansas Tech University, United States*), Nicos Koussis (*Frederick University, United States*), Michalis Makrominas (*Frederick University, United States*)	**Saurabh Ahluwalia** (*University of New Mexico, United States*)

12:00 – 13:30	**Lunch Break**	**1st FLOOR**

Thursday, 26 October 2023

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

13:30 – 14:30	Topic: Meet the Editors Session	GREAT HALL

Sabri Boubaker
Professor of Finance, EM Normandie Business School & Swansea University & Editor of Journal of International Financial Management & Accounting

Jean-François Boulier
Af2i Honorary Chairman
Editor of Bankers, Markets & Investors

Arman Eshraghi
Professor of Finance, Cardiff University & Co-Editor of International Review of Economics & Finance, Senior Editor of Finance Research Letters and Global Finance Journal

Marc Goergen
Professor of Finance, IE Business School, IE University, Spain, Associate Editor of the British Journal of Management, British Accounting Review, and the European Journal of Finance

14:30 – 15:00	Coffee Break	1st FLOOR

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

15:00 – 16:30	B2.1: Finance and Sustainability II	ZOOM B2.1
	Chair: Ngoc Sao Ly Nguyen, *University of Huddersfield, United Kingdom*	Discussant
	Climate Adaptation Disclosure: Does it Bring Home the Green? **Alessio Venturini** (*ICMA Centre, Henley Business School, United Kingdom*), Alfonso Dufour (*ICMA Centre, Henley Business School, United Kingdom*), Len Shaffrey (*Universtiy of Reading, United Kingdom*), Simone Varotto (*ICMA Centre, Henley Business School, United Kingdom*)	**Ngoc Sao Ly Nguyen** (*University of Huddersfield, United Kingdom*)
	Building Sustainable Business through Protecting Minority Shareholders: An Insight from China **Olga Kopyrina** (*Central University of Finance and Economics, China*), Kai Wu (*Central University of Finance and Economics, China*), Zhanyu Ying (*Central University of Finance and Economics, China*)	**Alessio Venturini** (*ICMA Centre, Henley Business School, United Kingdom*)
	ESG Risk Relevance and Firm performance **Ngoc Sao Ly Nguyen** (*University of Huddersfield, United Kingdom*), Alper Kara (*Brunel University London, United Kingdom*), Yilmaz Yildiz (*University of Kent, United Kingdom*)	**Olga Kopyrina** (*Central University of Finance and Economics, China*)

15:00 – 16:30	**B2.2: Monetary and Financial Macro-economics**	ZOOM B2.2
	Chair: **Kengo Nutahara**, *Senshu University, Japan*	Discussant
	US unconventional monetary policy and financial stress of emerging market economies: role of policy independence **Aariya Sen** (*Indian Institute of Management Kozhikode, India*), Rudra Sensarma (*Indian Institute of Management Kozhikode, India*)	**Kiril Tochkov** (*Texas Christian University, United States*)
	A Benefit of Monetary Policy Response to Inequality **Kengo Nutahara** (*Senshu University, Japan, & The Canon Institute for Global Studies, Japan*)	**Aariya Sen** (*Indian Institute of Management Kozhikode, India*)
	Regional heterogeneity and the provincial Phillips curve in China **Kiril Tochkov** (*Texas Christian University, United States*), Makram El-Shagi (*Henan University, China*)	**Kengo Nutahara** (*Senshu University, Japan, & The Canon Institute for Global Studies, Japan*)

15:00 – 16:30	**B2.3: Investment Funds**	ZOOM B2.3
	Chair: **Dominic Rainsborough**, *University of St. Gallen, Switzerland*	Discussant
	Socio-Ethnic Stratification and Propensity of Funding B V Phani (*Indian Institute of Technology Kanpur, India*), **Ridhima Agrawal** (*Indian Institute of Technology Kanpur, India*), Shantanu Dutta (*University of Ottawa, Canada*)	**Cesario Mateus** (*Aalborg University Business School, Denmark*)
	The Effect of Trade Barriers on Country-Level Investment Decisions of Private Equity Funds **Dominic Rainsborough** (*University of St. Gallen, Switzerland*), Simon J. Evenett (*University of St. Gallen, Switzerland*), Stefan Morkoetter(*University of St. Gallen, Switzerland*)	**Ridhima Agrawal** (*Indian Institute of Technology Kanpur, India*)
	Mutual fund performance: The model for selecting persistent winners **Cesario Mateus** (*Aalborg University Business School, Denmark*), Irina Mateus (*Aalborg University Business School, Denmark*), Natasa Todorovic (*Bayes Business School - City University, United Kingdom*)	**Dominic Rainsborough** (*University of St. Gallen, Switzerland*)

15:00 – 16:30	**B2.4: Behavioral Finance II**	ZOOM B2.4
	Chair: **Yiyuan Xu**, *University of Birmingham, United Kingdom*	Discussant
	CEOs overconfidence and company operational efficiency Evidence from Chinese listed companies **Yiyuan Xu** (*University of Birmingham, United Kingdom*), Qingjie Du (*University of Birmingham, United Kingdom*)	**Nhan Huynh** (*Macquarie University, Australia*)
	Fear and risk aversion: A top-down approach **Wenzhao Wang** (*Edinburgh Napier University, United Kingdom*), Darren Duxbury (*Newcastle University Business School, United Kingdom*)	**Duc Nha Bui** (*Ton Duc Thang University, Vietnam*)
	Emotions drive actions: Sentiment and cryptocurrency market reactions to macroeconomic news **Nhan Huynh** (*Macquarie University, Australia*)	**Wenzhao Wang** (*Edinburgh Napier University, United Kingdom*)
	Local Corruption, State Ownership, And Corporate Risk-Taking: Evidence From A Frontier Market **Duc Nha Bui** (*Ton Duc Thang University, Vietnam*), Thi Thanh Nhan Do (*Ton Duc Thang University, Vietnam*)	**Yiyuan Xu** (*University of Birmingham, United Kingdom*)

15:00 – 16:30	**B2.5: Banking Regulation and Financial Services II**	ZOOM B2.5

	Chair: **Renaud Beaupain**, *IESEG School of Management, France*	Discussant
	Institutional factors, culture, sustainability targets and green financing terms: an international study **Nikolaos Kalatzopoulos** (*International Hellenic University, Greece*), Konstantinos Vergos (*University of Portsmouth, United Kingdom*), Nikos Nanos (*University of Portsmouth, United Kingdom*)	**Renaud Beaupain** (*IESEG School of Management, France*)
	Which Tier 1 capital ratio is the binding constraint for European banks? On the robustness of the critical average risk weight framework **Renaud Beaupain** (*IESEG School of Management, France*), Yann Braouezec (*IESEG School of Management, France*)	**Nikolaos Kalatzopoulos** (*International Hellenic University, Greece*)
	Bank income smoothing, societal patriarchy and policy uncertainty Tanveer Ahsan (*Rennes School of Business, France*), **Saqib Aziz** (*Rennes School of Business, Rennes France*), Akanksha Jalan (*Rennes School of Business, Rennes France*), Fazal Muhammad (*Institut de Gestion de Rennes - Institut d'Administration des Entreprises – Rennes, France*), Dhoha Trabelsi (*ESCE PARIS, France*)	**Henry Penikas** (*Bank of Russia, Russia*)
	Optimal Credit Committee Voting Rules When Expanding Exposure to Green Lending **Henry Penikas** (*Bank of Russia, Russia*)	**Saqib Aziz** (*Rennes School of Business, Rennes France*)

15:00 – 16:30	**B2.6: Corporate Finance II**	ZOOM B2.6
	Chair: **Taylan Mavruk**, *University of Gothenburg, Sweden*	Discussant
	The real cost of litigation: Evidence from security class actions and M&As **Sascha Kolaric** (*University of Edinburgh Business School, United Kingdom*), Mattheo Kaufmann (*Technical University of Darmstadt, Germany*)	**Fritz Lattermann** (*Technical University of Darmstadt, Germany*)
	Local CSR, local ownership and firm value **Taylan Mavruk** (*University of Gothenburg, Sweden*)	**Sascha Kolaric** (*University of Edinburgh Business School, United Kingdom*)
	Evaluating the Impact of Enforcement Costs and Earnings Management on Listing Decisions: Evidence from Delistings and Downlistings in Germany **Fritz Lattermann** (*Technical University of Darmstadt, Germany*), Marc Berninger (*Technical University of Darmstadt, Germany*)	**Taylan Mavruk** (*University of Gothenburg, Sweden*)

END OF THURSDAY

Friday, 27 October 2023

08:00 – 08:30	**Registration & Coffee**	1st FLOOR

08:30 – 9:30 Keynote Address (A1)

08:30 – 9:30	**Topic: Is ESG non-pecuniary?**	GREAT HALL

Professor John Goodell, *Professor of Finance, University of Akron, United States, Editor-in-Chief of Research in International Business and Finance*

9:30 – 10:00	**Coffee Break**	1st FLOOR

10:00 – 11:30 Morning Parallel Sessions (A2)

10:00 – 11:30	**A2.1: Finance and Sustainability III**	ZOOM A2.1
	Chair: **Vijay Kumar**, *University of Waikato, New Zealand*	Discussant
	Impact of environmental performance on financial performance during COVID-19 pandemic: Evidence from unlisted firms **Vijay Kumar** (*University of Waikato, New Zealand*), Nirosha Wellalage (*University of Waikato, New Zealand*)	**Anil Gautam** (*Macquarie University, Australia*)
	The Environmental Impact of Industry-level Greenfield FDI: Evidence from 30 Chinese Provinces and 32 Economic Sectors **Nadia Doytch** (*CUNY- Brooklyn College and The Graduate Center, United States*), Wei Li (*Hebei University of Technology, China*), Yifan Wang(*Hebei University of Technology, China*), Xiaoting Sang(*Hebei University of Technology, China*)	**Vijay Kumar** (*University of Waikato, New Zealand*)
	Individual Investor ESG Preference Under Stress **Anil Gautam** (*Macquarie University, Australia*), Grace Lepone (*Macquarie University, Australia*)	**Nadia Doytch** (*CUNY-Brooklyn College and The Graduate Center, United States*)

10:00 – 11:30	**A2.2: Behavioral Finance III**	ZOOM A2.2
	Chair: **Arman Eshraghi**, *Cardiff Business School, United Kingdom*	Discussant
	Traumatic Childhood Experience and Household Stock Market Participation Yibing Wang (*King's College London, United Kingdom*), Tarik Driouchi (*King's College London, United Kingdom*), **Duc Duy Nguyen** (*Durham University, United Kingdom*)	**Vesa Pursiainen** (*University of St.Gallen and Swiss Finance Institute, Switzerland*)
	Early-Life War Experiences and Corporate Financial Outcomes **Arman Eshraghi** (*Cardiff Business School, United Kingdom*), Takahashi Hidentomo (*HOSEI University, Japan*), Xu Peng (*HOSEI University, Japan*)	**Duc Duy Nguyen** (*Durham University, United Kingdom*)

	Retail Customer Reactions to Private Equity Acquisitions **Vesa Pursiainen** (*University of St.Gallen and Swiss Finance Institute, Switzerland*), Tereza Tykvova (*University of St. Gallen, Switzerland*)	**Arman Eshraghi** (*Cardiff Business School, United Kingdom*)
10:00 – 11:30	**A2.3: Small and Medium Enterprises Finance**	ZOOM A2.3
	Chair: **Myint Moe Chit**, *University of Nottingham Malaysia, Malaysia*	Discussant
	Trade Credit and Firm Value **Zhiting Shen** (*IAE Paris - University of Paris 1 Pantheon-Sorbonne, France*), Ydriss Ziane (*IAE Paris - University of Paris 1 Pantheon-Sorbonne, France*)	**Myint Moe Chit** (*University of Nottingham Malaysia, Malaysia*)
	Fintech and financial constraints of small businesses: Empirical evidence from a cross-country analysis **Myint Moe Chit** (*University of Nottingham Malaysia, Malaysia*)	**Zhiting Shen** (*IAE Paris - University of Paris 1 Pantheon-Sorbonne, France*)
	Family firms and SME access to finance in North Africa **Zuzana Brixiova Schwidrowski** (*UNECA, Morocco*), Grakolet Gourène (Université Jean Lorougnon Guédé, Côte d'Ivoire)	**Peter Morgan** (*Asian Development Bank Institute, Japan*)
	Family business during the COVID-19 pandemic in Asia: Role of government financial aid and coping strategies **Peter Morgan** (*Asian Development Bank Institute, Japan*), Long Trinh (*Asian Development Bank Institute, Japan*), Wataru Kodama (*Asian Development Bank Institute, Japan*), Kunhyui Kim (*Nagoya University, Japan*), Dina Azhgaliyeva (*Asian Development Bank Institute, Japan*)	**Zuzana Brixiova Schwidrowski** (*UNECA, Morocco*)
10:00 – 11:30	**A2.4: Asset Pricing and Allocation I**	ZOOM A2.4
	Chair: **Sai Ke**, *University of Mississippi, United States*	Discussant
	Factors and Anomalies in the Vietnamese Stock Market **Xiangqian Sharon Huang** (*Chinese University of Hong Kong, China*), Clark Liu (*Tsinghua University, China*), Tao Shu (*Chinese University of Hong Kong, China*)	**Sai Ke** (*University of Mississippi, United States*)
	Risk-Neutral Higher Moments and the Cross-Section of Stock Returns **Sai Ke** (*University of Mississippi, United States*)	**Xiangqian Sharon Huang** (*Chinese University of Hong Kong, China*)
	Predictive Patentomics: Forecasting Innovation Success and Valuation with ChatGPT **Stephen Yang** (*Pace Academy, United States*)	**Nilanjana Chakraborty** (*Independent Researcher, India*)
	Option Pricing Simplified **Nilanjana Chakraborty** (*Independent Researcher, India*), Mohammed Elgammal (*Qatar University, Qatar*)	**Stephen Yang** (*Pace Academy, United States*)
10:00 – 11:30	**A2.5: Banking Regulation and Financial Services III**	ZOOM A2.5
	Chair: **Lindsay Baran**, *Kent State University, United States*	Discussant
	Disconnecting Financial Misconduct: Social Connectedness and Misconduct in Financial Advising **Jyothsna Harithsa** (*Rensselaer Polytechnic Institute, United States*), Raffi Garcia (*Rensselaer Polytechnic Institute, United States*), Bill Francis (*Rensselaer Polytechnic Institute, United States*)	**Lindsay Baran** (*Kent State University, United States*)

	The Impact of Tax Law Changes on Bank Performance and Payout **Rebel Cole** (*Florida Atlantic University, United States*), Nonna Sorokina (*The Pennsylvania State University, United States*), Hamid Mehran(*Independent, United States*), Michael Suher(*The Federal Reserve Board of Governors, United States*)	**Jyothsna Harithsa** (*Rensselaer Polytechnic Institute, United States*)
	Effects of Bank Capital and Lending on Leverage, Risk, and Growth of Non-Financial Firms **Lindsay Baran** (*Kent State University, United States*), Nonna Sorokina (*The Pennsylvania State University, United States*), Ajay Patel (*Wake Forest Unviersity, United States*)	**Rebel Cole** (*Florida Atlantic University, United States*)

10:00 – 11:30	**A2.6: Corporate Finance III**	ZOOM A2.6
	Chair: **Nhan Huynh**, *Macquarie University, Australia*	Discussant
	Geopolitical Risk and Corporate Capital Structure **Md Shahedur R Chowdhury** (*Arkansas Tech University, United States*), Mohsen Aram (*Western Kentucky University, United States*), Siamak Javadi (*University of Texas Rio Grande Valley, United States*)	**Nhan Huynh** (*Macquarie University, Australia*)
	Environmental Regulatory Risk and Corporate Tax Avoidance: International Evidence **Md Ismail Haidar** (*University of Texas Rio Grande Valley, United States*)	**Md Shahedur R Chowdhury** (*Arkansas Tech University, United States*)
	Higher risk requires more rewards? Firm-level climate risk and top executives' compensations **Nhan Huynh** (*Macquarie University, Australia*), Eun-Kyung Lee (*Chongqing University, China*), Hoa Phan (*RMIT University, Australia*)	**Md Ismail Haidar** (*University of Texas Rio Grande Valley, United States*)

11:30 – 13:00	**Lunch Break**	**1st FLOOR**

Friday, 27 October 2023

13:00 – 14:00 Keynote Address (B1)

13:00 – 14:00	**Topic: Finance 2.0: How Sustainable Finance is reshaping practices and research**	**GREAT HALL**

Dr. Jean-François Boulier, *Af2i Honorary Chairman, Editor-in-Chief of Bankers, Markets & Investors*

14:00 – 14:30	**Coffee Break**	**1st FLOOR**

14:30 – 16:00 Afternoon Parallel Sessions (B2)

14:30 – 16:00	**B2.1: Finance and Sustainability IV**	ZOOM B2.1
	Chair: **Andrew Lepone**, *Macquarie University, Australia*	Discussant
	The Impact of Financial Institutions' ESG Participation on Performance ‚Äì The Analysis Considering Media and Google Search Effect **Pai-Wen Cheng** (*National Kaohsiung University of Science and Technology, Taiwan*), Wei yu-Chen (*National Kaohsiung University of Science and Technology, Taiwan*), Chen chia-Chen (*National Kaohsiung University of Science and Technology, Taiwan*)	**Wenting Meng** (*Shanghai International Studies University, China*)
	The Stock Market Response to the China Carbon Neutrality **Andrew Lepone** (*Macquarie University, Australia*), Bei Dai (*Macquarie University, Australia*), Grace Lepone (*Macquarie University, Australia*)	**Pai-Wen Cheng** (*National Kaohsiung University of Science and Technology, Taiwan*)
	Are Photographs and Graphs Beneficial? Examining the Effects of Images in Sustainability Reporting on Investors' Willingness-to-Invest **Wenting Meng** (*Shanghai International Studies University, China*), Xiaolan Yang (*Shanghai International Studies University, China*), Shu Chen (*Shanghai International Studies University, China*)	**Andrew Lepone** (*Macquarie University, Australia*)

14:30 – 16:00	**B2.2: Banking Regulation and Financial Services IV**	ZOOM B2.2
	Chair: **Michiru Sawada**, *Nihon University, Japan*	Discussant
	Determinants and macroeconomic effects of non-performing loans in banking sector: A panel data analysis of commercial banks in Oman **Ananda Suryanarayana** (*College of Banking and Financial Studies, Oman*), Roslin Lazarus (*College of Banking and Financial Studies, Oman*), Dharen Kumar Pandey (*Department of Commerce, Magadh University, India*), Ratikant Bhaskar (*Indian Institute of Technology, Indian School of Mines, Dhanbad, India*)	**Diyan Lestari** (*University of Wollongong, Australia*)

	Does a Financial Crisis Impair Corporate Innovation? **Michiru Sawada** (*Nihon University, Japan*), Masami Imai (*Wesleyan University, United States*)	**Ananda Suryanarayana** (*College of Banking and Financial Studies, Oman*)
	Are Banks Efficient in Emerging Economies? A Comparative Analysis for Conventional and Islamic Banks **Diyan Lestari** (*University of Wollongong, Australia*), Shiguang Ma (*University of Wollongong, Australia*), Aelee Jun (*University of Wollongong, Australia*)	**Michiru Sawada** (*Nihon University, Japan*)

14:30 – 16:00	**B2.3: Financial Markets, Institutions, and Money**	ZOOM B2.3
	Chair: **Xuan Nguyen**, *Deakin University, Australia*	Discussant
	Dynamic Interactions among G7 Sovereign Bond Yields and the Flight to Quality **Evangelos Salachas** (*Athens University of Economics and Business, Greece*), Drakos Anastasios (*Athens University of Economics and Business, Greece*)	**Xuan Nguyen** (*Deakin University, Australia*)
	Understanding the Impact of Natural Gas Price Shocks on European Stocks During Episodes of Extreme Price Volatility Adrian Vilasanchez (*Dublin City University, Ireland*), **Shaen Corbet** (*Dublin City University, Ireland & University of Waikato, New Zealand*), John W Goodell (*University of Akron, United States*)	**Evangelos Salachas** (*Athens University of Economics and Business, Greece*)
	National collectivism and insurance demand: Theory and evidence **Xuan Nguyen** (*Deakin University, Australia*)	**Shaen Corbet** (*Dublin City University, Ireland & University of Waikato, New Zealand*)

14:30 – 16:00	**B2.4: Corporate Governance**	ZOOM B2.4
	Chair: **Marc Berninger**, *Technical University of Darmstadt, Germany*	Discussant
	Empirical study on the voting results recommended by proxy advisory companies: Evidence from Japan Hiroaki Miyachi (*University of Tokyo, Japan*), **Fumiko Takeda** (*Keio Business School, Japan*)	**Marc Berninger** (*Technical University of Darmstadt, Germany*)
	Individualistic culture and the insurance industry's financial stability: Heterogeneous effects **Ana Isabel González-Fernández** (*University of Málaga, Spain*), Erika María Márquez-Mancera (*University of Málaga, Spain*), María Rubio-Misas (*University of Málaga, Spain*)	**Fumiko Takeda** (*Keio Business School, Japan*)
	15 years of two-tier enforcement in Germany - value relevance and investors' adoption to the information content of error announcements **Marc Berninger** (*Technical University of Darmstadt, Germany*)	**Ana Isabel González-Fernández** (*University of Málaga, Spain*)

14:30 – 16:00	**B2.5: Banking System and Macro-economics**	ZOOM B2.5
	Chair: **Mario Eboli**, *Università 'G. d'Annunzio', Italy*	Discussant
	Systemic risk in Core-Periphery interbank networks **Mario Eboli** (*Università 'G. d'Annunzio', Italy*)	**Hua Zhong** (*School of Systems Science, Beijing Normal University, China*)
	Real exchange rate and international reserves in the era of financial integration **Jamel Saadaoui** (*University of Strasbourg, France*)	**Mario Eboli** (*Università 'G. d'Annunzio', Italy*)
	Bank regulation induced credit channels of monetary transmission	**Jamel Saadaoui** (*University of Strasbourg, France*)

	Hua Zhong (*School of Systems Science, Beijing Normal University, China*), Yougui Wang (*School of Systems Science, Beijing Normal University, China*)	

14:30 – 16:00	**B2.6: Corporate Finance IV**	ZOOM B2.6
	Chair: Jan Pieter Veerhoek, *University of Antwerp, Belgium & Maastricht University, Netherlands*	Discussant
	Corporate Share Repurchases versus Dividend payment- A Qualitative Study of French Listed Companies **Yutong Li** (*Paris-Saclay University & Laboratory RITM, France*), Philippe Gillet (*Paris-Saclay University & Laboratory RITM, France*)	**Alexander Muravyev** (*The HSE University, Russia*)
	Firm regulation exposure and corporate cash holdings **Jan Pieter Veerhoek** (*University of Antwerp & Maastricht University, Netherlands*)	**Yutong Li** (*Paris-Saclay University & Laboratory RITM, France*)
	Board Monitoring and Corporate Disclosure: The Role of Firm-Level Governance and Institutional Environment **Alexander Muravyev** (*The HSE University, Russia*)	**Jan Pieter Veerhoek** (*University of Antwerp & Maastricht University, Netherlands*)

19:00 – 22:00 GALA DINNER
LUC THUY RESTAURANT & LOUNGE
16 LE THAI TO STREET, HOAN KIEM DISTRICT, HANOI
(Bus picking up participants departs from Banking Academy of Vietnam at 18:00)

END OF FRIDAY

Saturday, 28 October 2023

08:00 – 08:30	**Registration & Coffee**	**1st FLOOR**

8:30 – 10:00 Morning Parallel Sessions (A1)

8:30 – 10:00	**A1.1: Market Behavior and Efficiency**	ZOOM A1.1
	Chair: Henry Leung, *The University of Sydney, Australia*	Discussant
	Forecasting U.S. Stock Returns Conditional on Geopolitical Risk and Business Cycles **Serkan Karadas** (*University of Illinois Springfield, United States*), Minh Tam Schlosky (*University of Illinois Springfield, United States*), Adam Stivers (*University of Wisconsin-La Crosse, United States*)	**Henry Leung** (*The University of Sydney, Australia*)
	The Information Content of Tone Dispersion: Evidence from Earnings Conference Call Q&As **Yuxin Zhang** (*University of Nottingham, Ningbo campus, China*), Jingyu Zhang (*Queen's University, Canada*), Jyun-Ying Fu (*National Chengchi University, Taiwan*)	**Serkan Karadas** (*University of Illinois Springfield, United States*)
	Information Intensity: Public Announcements and Stock Forum Discussions **Henry Leung** (*The University of Sydney, Australia*), Mi Chen (*The University of Sydney, Australia*), Quan Gan (*The University of Sydney, Australia*)	**Yuxin Zhang** (*University of Nottingham, Ningbo campus, China*)

8:30 – 10:00	**A1.2: Behavioral Finance IV**	ZOOM A1.2
	Chair: Jarkko Peltomaki, *Stockholm University, Sweden*	Discussant
	Gender Gap in Investment Performance Revisited: The Role of Attention **Jarkko Peltomaki** (*Stockholm University, Sweden*)	**Wei-Hsien Li** (*National Central University, Taiwan*)
	Do Female Analysts Know Politics Better? Evidence from China Haoran Wu (*Kean University, United States*), Jiahe Zhou (*Kean University, United States*), **Qilong Yu** (*Kean University, United States*)	**Jarkko Peltomaki** (*Stockholm University, Sweden*)
	CEOs' Reaction to Terrorism-Induced Trauma and Corporate Innovation **Wei-Hsien Li** (*National Central University, Taiwan*), Debarati Bhattacharya (*Duquesne University, United States*), Tzu-Chang Forrest Cheng (*National Central University, Taiwan*), Meng-Ju Chuang (*National Central University, Taiwan*), Zi-Peng Wang (*National Central University, Taiwan*)	**Qilong Yu** (*Kean University, United States*)

8:30 – 10:00	**A1.3: Market Microstructure**	ZOOM A1.3
	Chair: Katsumasa Nishide, *Hitotsubashi University, Japan*	Discussant
	A New Entropic Measure for the Causality of the Financial Time Series **Peter Lerner** (*SUNY Brockport, United States*)	**Katsumasa Nishide** (*Hitotsubashi University, Japan*)
	A Novel Approach to Queue-Reactive Models: The Importance of Order Sizes **Hamza Bodor** (*BNP Paribas Corporate and Institutional Banking, France, & Université Paris I - Panthéon – Sorbonne, France*), Laurent Carlier (*BNP Paribas Corporate and Institutional Banking, France*)	**Peter Lerner** (*SUNY Brockport, United States*)

	Competition in Liquidity Provision: Analysis of High-Frequency Market-Making and Policy Implications Takaki Hayashi (*Keio University*, Japan), **Katsumasa Nishide** (*Hitotsubashi University, Japan*)	**Hamza Bodor** (*BNP Paribas Corporate and Institutional Banking & Université Paris I - Panthéon – Sorbonne, France*)

8:30 – 10:00	**A1.4: Asset Pricing and Allocation II**	ZOOM A1.4
	Chair: **David Feldman**, *University of New South Wales, Sydney, Australia*	Discussant
	Minimal dynamic equilibria **David Feldman** (*University of New South Wales, Sydney, Australia*), Dietmar Leisen (*University of Mainz, Germany*)	**Xin Tong** (*University of Manitoba, Canada*)
	Risk-Return Relation of Cryptocurrency Carry Trade **Xin Tong** (*University of Manitoba, Canada*), Zhenzhen Fan (*University of Manitoba, Canada*), Feng Jiao (*University of Lethbridge, Canada*), Lei Lu (*University of Manitoba, Canada*)	**David Feldman** (*University of New South Wales, Sydney, Australia*)
	Estimation and Test of a Simple Model of Robust Capital Asset Pricing: An Info-Metrics Approach **Ariel Viale** (*Palm Beach Atlantic University, United States*), Luis García-Feijóo (*Florida Atlantic University, United States*)	**Zhengyifan Chen** (*University of Manitoba, Canada*)
	Racial Integration and Active Investing **Zhengyifan Chen** (*University of Manitoba, Canada*), Victor Chen (*University of Manitoba, Canada*), Gady Jacoby (*University of Manitoba, Canada*), Hao Jiang (*Michigan State University, United States*), Chi Liao (*University of Manitoba, Canada*), Lu Lei (*University of Manitoba, Canada*)	**Ariel Viale** (*Palm Beach Atlantic University, United States*)

8:30 – 10:00	**A1.5: Banking Regulation and Financial Services V**	ZOOM A1.5
	Chair: **Van Son Lai**, *Laval University, Canada*	Discussant
	Are Listed Banks Riskier Than Private Banks? Nonna Sorokina (*The Pennsylvania State University, United States*), **Ajay Patel** (*Wake Forest University, United States*), Hamid Mehran (*Independent, United States*)	**Van Son Lai** (*Laval University, Canada, & IPAG Business School, France*)
	Data Sharing in a Fintech Lending Ecosystem **Ben Charoenwong** (*National University of Singapore, Singapore*), Yiyao Wang (*Shanghai Advanced Institute of Finance, China*)	**Ajay Patel** (*Wake Forest University, United States*)
	Bank lending during the 2008 credit crunch: Only what matters, capital or liquidity? Hélyoth Hessou (*University of Sherbrooke, Canada*), **Van Son Lai** (*Laval University, Canada, & IPAG Business School, France*)	**Ben Charoenwong** (*National University of Singapore, Singapore*)

8:30 – 10:00	**A1.6: Corporate Finance V**	ZOOM A1.6
	Chair: **Melanie Cao**, *York University, Canada*	Discussant
	CEO Initial Contract Horizon and the Design of Private Debt Contracts Hasibul Chowdhury (*The University of Queensland, Australia*), **Wenbin Hu** (*The University of Queensland, Australia*), Shunji Mei (*The University of Auckland, New Zealand*), Kelvin Jui Keng Tan (*The University of Queensland, Australia*)	**Mohammad Ali Nari Abyaneh** (*Iowa State University, United States*)
	Capital Reallocation and Firm-Level Productivity Under Political Uncertainty **Melanie Cao** (*York University, Canada*)	**Wenbin Hu** (*The University of Queensland, Australia*)

	Classified boards and corporate risk-taking Ginka Borisova (*Iowa State University, United States*), **Mohammad Ali Nari Abyaneh** (*Iowa State University, United States*)	**Melanie Cao** (*York University, Canada*)

10:00 – 10:30	**Coffee Break**	**1st FLOOR**

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

10:30 – 12:00	**A2.1: Risk Management**	ZOOM A2.1
	Chair: **Ruey-Ching Hwang**, *National Dong Hwa University, Taiwan*	Discussant
	Financial distress prediction of credit unions in Taiwan **Chienmin Kang** (*National Chi-Nan University, Taiwan*)	**Ruey-Ching Hwang** (*National Dong Hwa University, Taiwan*)
	Disentangling the genuine effect of CRAs' rating announcements from investigator bias on stock markets: a meta-analysis **Jean-Noël Ory** (*University of Lorraine, CEREFIGE, France*), Christine Louargant (*University of Lorraine, CEREFIGE, France*), Patrice Laroche (*University of Lorraine, CEREFIGE, France*), Jérôme Hubler (*University of Lorraine, CEREFIGE, France*)	**Chienmin Kang** (*National Chi-Nan University, Taiwan*)
	Predicting forward default probabilities of firms: A discrete-time forward hazard model with firm-specific frailty **Ruey-Ching Hwang** (*National Dong Hwa University, Taiwan*), Yi-Chi Chen (*National Cheng Kung University, Taiwan*)	**Jean-Noël Ory** (*University of Lorraine, CEREFIGE, France*)

10:30 – 12:00	**A2.2: Corporate Finance VI**	ZOOM A2.2
	Chair: **Thi-Thanh Phan**, *National Chengchi University, Taiwan*	Discussant
	Peer effects of CSR performance on corporate finance performance: Evidence from China **Xiangjing Tong** (*Tianjin University, China*)	**Friederike Meyer** (*University of St.Gallen, Switzerland*)
	Institutional Ownerships and Innovation: Sector-Specific Dynamics **Thi-Thanh Phan** (*National Chengchi University, Taiwan*), Hai-Chin Yu (*Chung Yuan Christian University, Taiwan*)	**Xiangjing Tong** (*Tianjin University, China*)
	Financing Costs and Credit Rating Changes of Family-Owned Firms Under Varying Market Stress **Friederike Meyer** (*University of St.Gallen, Switzerland*), Stefan Morkoetter (*University of St.Gallen, Switzerland*)	**Thi-Thanh Phan** (*National Chengchi University, Taiwan*)

10:30 – 12:00	**A2.3: Financial Crises and Contagion**	ZOOM A2.3
	Chair: **Jakhongir Kakhkharov**, *Australian Catholic University, Australia*	Discussant
	Empirical study of sukuk liquidity during COVID-19 **Mariya Gubareva** (*Universidade de Lisboa, Portugal*), Tatiana Sokolova (*National Research University Higher School of Economics, Russia*), Zaghum Umar (*Zayed University, United Arab*), Xuan Vinh Vo (*University of Economics, Ho Chi Minh City, Vietnam*)	**Yishuai Ren** (*Hunan University, China*)
	Policy Impacts on Bank and FinTech Stocks During the Global Pandemic **Jakhongir Kakhkharov** (*Australian Catholic University, Australia*), Robert Bianchi (*Griffith University, Australia*)	**Mariya Gubareva** (*Universidade de Lisboa, Portugal*)

	Extreme risk contagion in cross-provincial stock market: Evidence from China **Yishuai Ren** (*Hunan University, China*), Jiang Yong (*Nanjing Audit University, China*), Ding Xiao (*Nanjing Audit University, China*)	**Jakhongir Kakhkharov** (*Australian Catholic University, Australia*)

10:30 – 12:00	**A2.4: Commodity Markets**	ZOOM A2.4
	Chair: **Mona Zorguati**, *IPAG Business School, France*	Discussant
	Smart grid investments as valuable real options **Greg Tindall** (*Palm Beach Atlantic University, United States*), Konstantinos Vergos (*University of Portsmouth, United Kingdom*), Hafiz Hoque (*Swansea University, United Kingdom*)	**António Martins** (*Universidade da Madeira, Portugal*)
	Assessing the Hedge Potential of Brent Crude Oil against the Currency of Oil-Exporting and Oil-Importing Countries: Application of C-Vine Model **Mouna Zorguati** (*IHESO, Tunisia*), Boubaker Heni, (*IPAG Business School, France, & IHECSO, Tunisia*)	**Greg Tindall** (*Palm Beach Atlantic University, United States*)
	The Impact of Military Conflict Between Russia and Ukraine on the Stock Returns of the World's Largest Oil and Gas Companies **António Martins** (*Universidade da Madeira, Portugal*), Pedro Correia (*Universidade da Madeira, Portugal*), Ricardo Gouveia(*Universidade da Madeira, Portugal*)	**Mouna Zorguati** (*IHESO, Tunisia*)

10:30 – 12:00	**A2.5: Macro-Financial Linkages**	ZOOM A2.5
	Chair: **Abhay Pratap Raghuvanshi**, *Indian Institute of Technology Kanpur, India*	Discussant
	The role of digital technology and sustainable finance in bank lending. Current trends in Macro-financial linkages **Małgorzata Pawłowska** (*SGH Warsaw School of Economics, Poland*)	**Zifan Wang** (*Beijing Normal University, China*)
	Inflation Targeting and Monetary Policy Response in India **Abhay Pratap Raghuvanshi** (*Indian Institute of Technology Kanpur, India*)	**Małgorzata Pawłowska** (*SGH Warsaw School of Economics, Poland*)
	The Role of Repayment in a Credit Economy **Zifan Wang** (*Beijing Normal University, China*), Zijian Feng (*Beijing Normal University, China*), Hua Zhong (*Beijing Normal University, China*), Yougui Wang (*Beijing Normal University, China*)	**Abhay Pratap Raghuvanshi** (*Indian Institute of Technology Kanpur, India*)
	Can uncertainty predict high inflation? **Georgios Kouretas** (*Athens University of Economics and Business, Greece & IPAG Business School, France*), Maria-Eleni Agoraki (*University of the Peloponnese, Greece*), Nektarios Aslanidis (*Universitat Rovira i Virgili, Spain*)	**Linh Pham** (*Lake Forest College, United States*)

12:00 – 13:30	**Lunch Break & Concluding Remarks**	**1st FLOOR**

END OF CONFERENCE

List of Abstracts

Thursday, 26 October 2023

A2.1: Banking Regulation and Financial Services I

Targeted Principal Forgiveness Is Effective: Mortgage Modification and Financial Crisis

Philip Kalikman (*University of Cambridge, United Kingdom*), Joelle Scally (*Federal Reserve Bank of New York, United States*)

Abstract
Research into the Global Financial Crisis finds forgiving mortgage principal ineffective at stemming defaults, and argues that borrowers default because of illiquidity, not strategically. We argue the opposite: targeted forgiveness is effective, and default is better explained by quantifying how illiquidity interacts with borrowers' strategy. We embed these interactions in a computational heterogeneous structural model, introducing idiosyncratic default penalties. Differing penalties explain borrowers' differing deviations from pure-financial optimality. We run the model on heterogeneous microdata, estimating penalties from credit scores and payment histories. Forgiving low-score, deep-underwater borrowers would have eliminated nearly all their defaults, with net gain for lenders.

Liquidity Shock and Bank Risk

Amine Tarazi (*Université de Limoges, France*), Isabelle Distinguin (*Université de Limoges, France*), Oussama Labchara (*Université de Limoges, France*)

Abstract
This paper studies banks' risk-taking behavior in response to negative liquidity shocks on their balance sheet, i.e., an unexpected event that leaves banks with a liquidity shortfall. Using data for European publicly traded banks from 2005 to 2020, we find that banks decrease their risk-taking when they face a negative liquidity shock. A negative liquidity shock is associated with both lower credit risk and default risk. Further evidence shows that negative liquidity shocks affect large banks and banks operating under regulatory capital pressure to a greater extent. We also investigate how banks react to positive liquidity shocks and find that they do not take more risk when they experience a liquidity surplus. Our findings contribute to the literature on banks' liquidity management and bear several policy implications.

Intangible Customer Capital and Bank Resilience

Hongyu Shan (*China Europe International Business School (CEIBS), China*), Joel Houston (*University of Florida, United States*), Yu Shan (*Syracuse University, United States*)

Abstract
Bank stability depends critically on the ability to connect and retain customers amid negative shocks. This study proposes a novel measure of accumulated customer capital at the branch level. In a within-bank-county estimation, we exploit reputation damage as exogenous negative shocks to deposit-taking and find that branches with higher customer capital mitigate deposit outflows more effectively. These results are stronger in neighborhoods with higher income and lower population mobility, and for branches of community banks. Overall, our work highlights the value of intangible customer capital as a novel and important factor influencing the resilience of retail banking relationships.

A2.2: Corporate Finance I

CEO Narcissism and Dividend Policy

Moon Deok Park (*Korea Advanced Institute of Science and Technology (KAIST), South Korea*), Seung Hun Han (*Korea Advanced Institute of Science and Technology (KAIST), South Korea*)

Abstract

This study examines how CEO narcissism affects a firm's dividend policy. The results indicate that firms with highly narcissistic CEOs tend to pay more dividends. We also found firms with narcissistic CEOs tend to pay more special dividends. With additional analyses using financial constraints and CEO power, we found the major motivation for firms with narcissistic CEOs to pay more dividends is to mitigate agency issues. This study contributes to the literature by linking a firm's major strategy with CEO's characteristics.

The effects of a financial covenant on optimal capital structure and firm value

Michi Nishihara (*Osaka University, Japan*), Takashi Shibata (*Tokyo Metropolitan University, Japan*)

Abstract

This paper develops a capital structure model with a financial covenant that sets an upper limit on a firm's debt-earnings ratio. Shareholders will reduce debt or default when the ratio exceeds the upper limit. In the model, firm value, debt repayment policy, and capital structure are derived explicitly. For low levels of the limit, shareholders prefer to reduce debt every time the ratio exceeds the limit. Then, the covenant removes cost of debt, while it decreases equity value by restricting shareholders. By this trade-off, the covenant can improve firm value. The covenant can also improve firm value by removing the restriction on future debt issuance. With the covenant, the firm can begin with high leverage to take advantage of no cost of debt. The covenant tends to improve firm value for higher bankruptcy cost and volatility.

Informed Investors and Underpricing in Municipal Bond Offerings

Viet-Dung Doan (*Hong Kong Baptist University, Hong Kong SAR China*)

Abstract

This paper studies the effect of local mutual funds on municipal bond issuance. Offering yields are higher in states where municipal bond funds' headquarters are located, and in states with larger aggregate fund size. However, holding local fund size constant, yields decrease in the number of funds. Such relations hold when local funds' primary market participation is instrumented with the characteristic differences between new issues and existing bonds in fund portfolios. A security underpricing model that incorporates imperfectly informed investors confirms my empirical findings. Despite higher borrowing costs, issuers benefit from local funds' certification resulting in retail investors' higher demand.

A2.3: Portfolio Management and Optimization

About the Existence of Risk Budgeting Portfolios and their Calculation

Rengim Cetingoz (*Université Paris 1 Panthéon-Sorbonne - UFR Mathématiques & Informatique, France*), Olivier Guéant (*Université Paris 1 Panthéon-Sorbonne - UFR Mathématiques & Informatique, France*), Jean-David Fermanian (*École Nationale de la Statistique et de l'Administration Économique, France*)

Abstract

Modern portfolio theory has provided for decades the main framework for optimizing portfolios. Because of its sensitivity to small changes in input parameters, especially expected returns, the mean-variance framework proposed by Markowitz (1952) has however been challenged by new construction methods that are purely based on risk. Among risk-based methods, the most popular ones are Minimum Variance, Maximum Diversification, and Risk Budgeting (especially Equal Risk Contribution) portfolios. Despite some drawbacks, Risk Budgeting is particularly attracting because of its versatility: based on Euler's homogeneous function theorem, it can indeed be used with a wide range of risk measures. This paper presents mathematical results regarding the existence and the uniqueness of Risk Budgeting portfolios for a very wide spectrum of risk measures and shows that, for many of them, computing the weights of Risk Budgeting portfolios only requires a standard stochastic algorithm.

A Century of Asset Allocation Crash Risk

Nonna Sorokina (*The Pennsylvania State University, United States*), Mikhail Samonov (*The Pennsylvania State University, United States, & Two Centuries Investments, United States*)

Abstract

We extend proxies of several popular asset allocation approaches - U.S. and Global 60/40, Diversified Multi-Asset, Risk Parity, Endowment, Factor-Based and Dynamic Asset Allocation - back to 1926 using long-run return data for a variety of sub-asset classes and factors to test their long-term performance. While Factor-Based portfolios exhibit the best traditionally measured risk-adjusted returns over the long run, the Dynamic Asset Allocation is most likely to reduce the risk of abandonment by an investor due to its lower expected drawdowns, even during severe market downturns. Across all strategies, risk-tolerant investors who rely on a longer history to set their expectations, whether based upon actual or extrapolated data, experience significantly better outcomes, particularly if their investment horizon includes times of crisis.

Gold in household portfolios during a pandemic: Evidence from an emerging economy

Sanket Mohapatra (*Indian Institute of Management Ahmedabad, India*), Oindrila Chatterjee (*Indian Institute of Management Ahmedabad, India*), Balagopal Gopalakrishnan (*Indian Institute of Management Ahmedabad, India*)

Abstract

This paper examines how Indian households allocate their savings portfolio across gold, financial assets, and cash during the COVID-19 crisis. Our study relies on a nationally representative household survey conducted in 2020-2021 for 142 districts in India. We find that the portfolio allocation of households in districts with a higher incidence of COVID-19 shifted towards gold--a safe asset--during the pandemic compared to households in other districts. The shift towards gold is accompanied by a shift away from financial assets and other assets (primarily cash). A similar shift towards gold is observed for districts that experienced the largest adverse economic impact--captured by lower night-time lights intensity--during the pandemic. Households in districts with greater banking access and better health infrastructure show a smaller shift towards gold. A panel estimation with normal and COVID-19 period surveys confirm the baseline results. Our findings contribute to a better understanding of the role of economic crisis in shaping the financial decisions of households.

A2.4: Behavioral Finance I

Investor sentiment and stock price crash risk: Global evidence

Lan Xiang (*Hunan University, China*), Darren Duxbury (*Newcastle University, United Kingdom*), Wenzhao Wang (*- The Business School, Edinburgh Napier University, United Kingdom*)

Abstract

This paper examines the impact of firm- and market-level investor sentiments on stock price crash risk in 35 stock markets. Empirical results present a positive relation between firm-level sentiment and crash risk while a negative one between market-level sentiment and crash risk. A high level of heterogeneity is revealed when we separately test developed and emerging markets as well as individual stock markets. The heterogeneity can be explained by cultural dimensions, market integrity, along with intelligence and education, and notably, the influence on the impact of firm-level investor sentiment is highly consistent with the influence on the impact of market-level investor sentiment.

Political connection and stock price crash risk: evidence from the environmental protection inspection

Shuai Yue (*Massey University, New Zealand*), Hamish Anderson (*Massey University, New Zealand*), Jing Liao (*Massey University, New Zealand*)

Abstract

This study examines whether firms with politically connected executives behave differently regarding information disclosure due to government inspection influence. We find that firms with politically connected executives are generally associated with lower crash risk. However, these politically connected firms are more prone to crash risk than firms without political connections when subject to government inspection influences. Furthermore, we examine whether and how the inspection effect on crash risk varies by how executives develop their political connections (e.g., achieved or ascribed political connections). We find that when executives have achieved political connections, their firms are more likely to be crash-prone. Our findings remain consistent after a series of robustness tests, such as identifying inspection influences based on firms' office addresses, using multiple fixed effects, excluding the influences

of “looking back” inspections, constructing the placebo test, and employing the propensity score matching analysis. In cross-sectional analyses, we find our baseline findings are more salient when firms are in regions with weak enforcement of environmental policies, when information asymmetry is high, for non-heavy polluters, when local officials are replaced, and when firms lack alternative channels of political connections. In addition, we find that the inspection batches in 2017 tend to have a stronger influence on corporate information disclosure behaviours. Overall, our study sheds light on the influence of managerial political connections on shaping firms' information environment.

CEO Network Connections and Real Earnings Management: International Evidence

Ken Qiu (*Millsaps College, United States*)

Abstract

This study investigates whether CEO network connections influence non-US firms' decision to manage earnings upward with the alteration of real operating activities, as well as the future operating performance of the firms, for the period of 1998-2017. We find that “more connected” CEOs are less likely to induce the firms to alter real activities to manage earnings upward and the results are robust with the use of different regression models. The additional empirical findings demonstrate that the negative effect of CEO network connections on the level of real earnings management used in a firm is stronger in the countries with lower country-level governance quality. We also empirically decompose the effects of CEO network connections into the informational and reputational effects and find that the informational effect positively contributes to the negative effect of CEO network connections on the level of real earnings management used in a firm. Further analysis unveils that, compared with the level of real earnings management activities used in other firms, the ones used in the firms led by “more connected” CEOs are associated with better future operating performance of the firms. Overall, our results suggest that CEOs network connections have a positive impact on the informational environment and operating performance of the non-US firms.

A2.5: Digital Finance

Auditing Decentralized Finance (DeFi) Protocols

Daniel Rabetti (*National University of Singapore, Singapore*)

Abstract

The collapse of FTX has underscored the critical importance of auditing, especially in the fast-growing decentralized finance (DeFi) markets. Due to the decentralized nature of DeFi platforms, which facilitate peer-to-peer transactions without intermediaries, and the rapid pace of innovation in the unregulated and highly asymmetric information environment of the DeFi market, traditional financial auditing methods face significant hurdles. This study explores the relevance of auditing in DeFi protocols and highlights its critical role in ensuring transparency, security, and trust within these decentralized systems. Through a comprehensive analysis of the unique characteristics of DeFi, including smart contracts and blockchain technology, we delve into the specific challenges and risks associated with auditing DeFi applications. Furthermore, the article discusses the demand for robust auditing practices, regulatory oversight, and industry standards to enhance resilience and stability in this fast-growing emerging market.

Impact of FinTech on Stock Price Liquidity

Khalil Jebran (*Dongbei University of Finance and Economics, China*), Ullah Irfan (*School of Finance Jiangxi Normal University, China*), Mohib Ur Rahman (*School of Economics and Management University of Buner, Pakis)*

Abstract

We examine whether and how FinTech influences stock price liquidity. Using the FinTech index and a sample of Chinese listed firms from 2011 to 2020, results indicate that Fintech is positively associated with stock price liquidity. This relationship is more pronounced in the presence of higher media coverage, analysts' following, and in non-state-owned enterprises but weaker in higher economic policy uncertainty. The findings remain consistent with alternative measures, omitted variables problems, and endogeneity issues. Results provide insights that the development of financial technology increases financial transparency, which promotes the information environment, thereby increasing stock liquidity. Findings contribute to the literature on the governance role of digital finance in influencing stock liquidity.

Does digitalization promote the effectiveness of commercial reform: Evidence from stock price crash risk?

Guanming He (*Durham University, United* Kingdom), Zhichao Li (*University of Exeter, United* Kingdom), **Ling Yu** (*Central University of Finance and Economics, China*), Zhanqiang Zhou (*Central University of Finance and Economics, China*)

Abstract

Improving information disclosures and monitoring corporate commercial activities are the core content of commercial reform, which is conducive to creating a good commercial environment and promoting high-quality economic development. Over the past decade or so, the Chinese government implemented a series of digital technologies to accelerate the process of commercial reform. To explore the economic effectiveness of digitalization-involved commercial reform, we manually collect data on the adoption of digital technologies by the Market Regulation Administration in each city, and use them in a large sample of Chinese listed firms for a staggered difference-in-differences research design. We find evidence to suggest that digitalization-involved commercial reform mitigates the stock price crash risk of firms. Our mechanism tests further reveal that this mitigating effect is attributed to the improved information quality and monitoring for the firms. We also find that the application of digital technologies in commercial reform has more prominent attenuating impact on stock price crash risk for firms with higher levels of digitalization and innovation and those with weaker internal governance. Overall, our findings highlight a potential benefit of applying digital technologies to regulatory reform, encouraging governments to adopt digital tools to improve information disclosure and monitoring for firms and thereby promoting a more stable and efficient capital market.

A2.6: Finance and Sustainability I

Contribution to poverty alleviation: A waste or benefit for corporate financing?

Guanming He (*Durham University, United Kingdom*), Zhichao Li (*University of Exeter, United Kingdom*), Ling Yu (*Central University of Finance and Economics, China*), Zhanqiang Zhou (*Central University of Finance and Economics, China*)

Abstract

Eradicating poverty worldwide is the first primary target of the United Nations 2030 Agenda for Sustainable Development. China, the largest developing country, has an enormous population living in poverty, so combating poverty is of vital importance to China for achieving its development goals. In this context, the Chinese government held the National Conference on Development-driven Poverty Alleviation in December 2015 and thereafter issued policies to call for corporate participation in reducing poverty. Yet, engaging in poverty alleviation requires considerable resources, plausibly increasing a firm's financing needs. Against this backdrop, we investigate whether Chinese firms' involvements in poverty alleviation affect their costs of financing. We find causal evidence that firms' contributions to poverty alleviation result in lower cost of equity and lower cost of debt, suggesting that poverty alleviation is appreciated by both equity investors and debt investors. This result is more pronounced for non-state-owned firms, financially healthy firms, firms receiving more subsidies from local governments, and firms with larger spending in advertisements. Our mediating analyses further reveal that enhanced reputation and trust among stakeholders are the mechanisms through which corporate alleviation of poverty reduces the costs of financing. Overall, our findings highlight to firms a potential benefit of their involvement in poverty alleviation, thereby encouraging them to make greater contributions to poverty eradication for their countries.

Does being Ethical Pay? Evidence from the Implementation of SOX Section 406

Saurabh Ahluwalia (*University of New Mexico, United States*), Linda Ferrell (*Auburn University, United States*), O. C. Ferrell (*Auburn University, United States*), Priyank Gandhi (*Rutgers University, United States*)

Abstract

Firms that adopt a ‚Äòcode of ethics' targeted towards senior financial officers (CEFO firms) in response to SOX Act Section 406 have higher valuations (Tobin's q) than a matched sample of firms of similar size, operating in the same industry that have not yet adopted such a code of ethics (non-CEFO firms). Tracing the mechanism, higher valuations for CEFO firms result from both low risk-adjusted rates and higher cash flows. In turn, higher cash flows for CEFO firms result from increased profitability and lower compliance costs. CEFO firms also benefit from lower probability of shareholder disputes and shareholder concerns. These results are consistent with models of integrity that predict that firms' commitment to ethical behavior is associated with better performance.

Geopolitical Risk and Corporate Social Responsibility

Md Shahedur Rahaman Chowdhury (*Arkansas Tech University, United States*), Nicos Koussis (*Frederick University, United States*), Michalis Makrominas (*Frederick University, United States*)

Abstract
We examine the impact of geopolitical risk on corporate social responsibility, motivated by the increasing focus on corporate social responsibility and the geopolitical risk arising from the Russian-Ukraine crisis. Guided by real options and resource-based theories, we anticipate a negative relationship between corporate social responsibility and geopolitical risk. Using a sample of US public firms between 2002 and 2020, we find empirical support for our prediction and show that the effect is channeled through capital expenditure, profit, and cash flow volatility. Our result is robust across different model specifications, various proxies for corporate social responsibility, several robustness tests, and survives after addressing endogeneity concerns through a quasi-natural experiment, instrumental variable regression and change analysis. Furthermore, our cross-sectional analyses reveal that the negative association between corporate social responsibility and geopolitical risk is more strongly pronounced for higher irreversibility investments, larger and more mature firms, and firms with higher return exposure to geopolitical risk. Additionally, we find that firms with stronger sustainability performance exhibit higher firm value when facing geopolitical risk.

B2.1: Finance and Sustainability II

Climate Adaptation Disclosure: Does it Bring Home the Green?

Alessio Venturini (*ICMA Centre, Henley Business School, United Kingdom*), Alfonso Dufour (*ICMA Centre, Henley Business School, United Kingdom*), Len Shaffrey (*Universtiy of Reading, United Kingdom*), Simone Varotto (*ICMA Centre, Henley Business School, United Kingdom*)

Abstract
We study how investors price voluntary climate adaptation disclosure by using natural disasters as exogenous shocks to information uncertainty about firms' fundamentals. We show that affected firms that mention adapting to climate risks suffer a 2.2% decrease in market-adjusted returns, akin to affected non-disclosing firms. In contrast, affected firms prioritising the disclosure of material exposure to climate risks effectively mitigate this loss in welfare. Further analysis shows that this heterogeneity in pricing between climate disclosure strategies arises from their asymmetric effects on mitigating investor uncertainty. Our results bear relevant implications for the optimal development of mandatory climate disclosure policies.

Building Sustainable Business through Protecting Minority Shareholders: An Insight from China

Olga Kopyrina (*Central University of Finance and Economics, China*), Kai Wu (*Central University of Finance and Economics, China*), Zhanyu Ying (*Central University of Finance and Economics, China*)

Abstract
This study examines how investor protection affects corporate sustainability by investigating the introduction of mandatory online voting at annual general shareholder meetings for firms listed on the Shanghai and Shenzhen stock exchanges in 2014. Our difference-in-differences estimation results demonstrate that mandatory online voting has a long-term positive effect on corporate sustainability, particularly in terms of tax contribution and compliance, employee average remuneration, product quality and customer protection, and public welfare contribution, which are linked to eleven of the seventeen Sustainable Development Goals (SDGs). The investor protection shock modulates corporate sustainability by reducing managerial opportunism and curbing shareholder tunneling. Consistently, the effect is more apparent in firms with higher ex-ante levels of SG\&A expenses, CEO remuneration gap, and control-ownership wedge, as well as within non-SOEs. Our findings demonstrate the positive spillover effect of market institutional reform on corporate contribution to SDGs.

ESG Risk Relevance and Firm performance

Ngoc Sao Ly Nguyen (*University of Huddersfield, United Kingdom*), Alper Kara (*Brunel University London, United Kingdom*), Yilmaz Yildiz (*University of Kent, United Kingdom*)

Abstract
We investigate the relationship between Environmental Social and Governance (ESG) Risk Relevance and firm performance. The ESG Risk Relevance represents the relevance and materiality of environmental (ENV), social (SOC)

and governance (GOV) factors to firms from creditors' standpoints by quantifying how the ENV, SOC and GOC elements affect credit rating. Furthermore, we examine how the interaction between ESG Risk Relevance and ESG Performance affects firm performance. The ESG Performance displays the firms' engagement in ENV, SOC and GOV practices. Our findings show that ENV Risk Relevance and its interaction with ENV Performance are negatively related to firm performance, suggesting that firms will suffer when they confront the environmental factors which change their credit rating. More importantly, the ENV Risk Relevance will offset the impacts of ESG Performance on firm performance. This study, to the best of our knowledge, for the first time, adopts ESG Risk Relevance ‚Äì the only purely credit-focused indicator in the market until now‚Äì in the examination of the impacts of ESG factors on firm performance. Hence, it will make original contributions to the current research about ESG-related topics. First, it initiates the impacts of ESG factors on firm performance from creditors' perspective. Second, it puts forward the idea that ESG Risk Relevance can interact with ESG Performance to have a combined effect on firm performance.

B2.2: Monetary and Financial Macro-economics

US unconventional monetary policy and financial stress of emerging market economies: role of policy independence

Aariya Sen (*Indian Institute of Management Kozhikode, India*), Rudra Sensarma (*Indian Institute of Management Kozhikode, India*)

Abstract

Greater integration among world economies have made Emerging Market Economies (EMEs) susceptible to actions of developed countries. While the literature has studied the cross-border ramifications of monetary policy decisions, the effects on financial stress and the role of policy independence of the domestic economies have been ignored. We examine the spillover effects of the US Fed's monetary policy, including episodes of Unconventional Monetary Policy (UMP), on financial stress of EMEs. We also explore the role of the EMEs' monetary policy independence in moderating the spillover effects. We analyse quarterly information on the US (shadow) federal funds rate along with financial stress and monetary independence of 20 EMEs during 2008-2021. The results from Pooled Mean Group estimation reveal that Fed monetary tightening is associated with higher financial stress of the EMEs. During UMP, expansionary monetary policy of the Fed is associated with a fall in EME stress. However, in the short run, the Fed's monetary expansion increases financial stress of the EMEs. Furthermore, monetary independence of the EMEs provide a buffer from these spillover effects. These findings underscore the importance of recognizing the spillover effects of global shocks on EMEs and the need to safeguard themselves through appropriate institutional design.

A Benefit of Monetary Policy Response to Inequality

Kengo Nutahara (*Senshu University, Japan, & The Canon Institute for Global Studies, Japan*)

Abstract

The main objective of this paper is to investigate a monetary policy response to inequality in a Two-Agent New Keynesian (TANK) model with hand-to-mouth households. I derive the analytical condition for equilibrium determinacy and show that a monetary policy response to inequality is helpful in achieving equilibrium determinacy. On the other hand, the impulse responses to structural shocks show that a monetary policy response to inequality does not necessarily reduce the volatilities of both inflation and output, although it mitigates the volatility of inequality.

Regional heterogeneity and the provincial Phillips curve in China

Kiril Tochkov (*Texas Christian University, United States*), Makram El-Shagi (*Henan University, China*)

Abstract

This paper explores the presence of regional heterogeneity in the response of inflation to changes in the output gap in China. We estimate the slope of the provincial Phillips curve for five different price indices using quarterly data over the period 2000-2022. The presence of regional heterogeneity is tested by comparing a fixed effects and a mean group specification. Our results indicate that the slope of the provincial Phillips curve in China is positive and significant for property prices and the producer price index (PPI), which is explained by their focus on non-tradables and goods specific to the local economy, respectively. Other price indices centered on tradables do not show significant sensitivity to provincial output shocks. Regional heterogeneity in the provincial slope is confimed only in the case of the PPI with around 60% of provinces, including most coastal provinces, exhibiting a positive coefficient. Our findings point to the share of industry and the market power of industrial enterprises as significant contributors to the sensitivity of inflation to provincial demand shocks. Moreover, we show that a stronger market-orientation and a smaller role of the state in a given province are also positively associated with the slope of the Phillips curve.

Socio-Ethnic Stratification and Propensity of Funding

B V Phani (*Indian Institute of Technology Kanpur, India*), **Ridhima Agrawal** (*Indian Institute of Technology Kanpur, India),* Shantanu Dutta (*University of Ottawa, Canada*)

Abstract

This study postulates that the entrepreneurs' socio-ethnic and cultural background plays a critical role in entrepreneurs' access to important resources such as finance and market accessibility leading to the success of an Entrepreneurial Venture (EV). This study using the unique and idiosyncratic nature of social stratification in the Indian context sets out to empirically test a series of hypotheses to ascertain whether socio-ethnic variables have a bearing on the investment decision of early-stage investors such as Seed, Angel and Venture Capital. We specifically focus on the relationship between Entrepreneurial Team's (ET's) socio-ethnic background and stage financing, which includes several financing rounds, the quantum of financing, and eventually firm exit. The study, based on 783 EVs, reveals that the ET's socio-ethnic background, captured by their Hereditary Profession (HP)-based social class, explains the variability of funding and probability of exit. The findings indicate that ET's Hereditary Profession (HP)-based social stratification variables significantly impact entrepreneurial success, and we believe that this plays a significant role in funding decisions of the early-stage investors.

The Effect of Trade Barriers on Country-Level Investment Decisions of Private Equity Funds

Dominic Rainsborough (*University of St. Gallen, Switzerland*), Simon J. Evenett (*University of St. Gallen, Switzerland*), Stefan Morkoetter(*University of St. Gallen, Switzerland*)

Abstract

We investigate the impact of trade barriers on the investment behavior of private equity funds with regards to country preferences. We use a sample of 13,615 transactions across 125 countries and 52 industries completed by 2,531 PE funds during 2010-2018. We observe a positive and significant relationship of trade policies restricting imports into the target country and the probability of a PE fund investment. This effect is stronger for trade barriers pertaining to subsidies paid to import-competing firms. We find no statistically significant effect of tariffs on imports on the probability of a PE fund investment in a given country. Using subsample analyses, however, we find that tariffs had a significant and positive effect on PE investment behavior across our sample during the U.S.-China trade war (2017-2018).

Mutual fund performance: The model for selecting persistent winners

Cesario Mateus (*Aalborg University Business School, Denmark*), Irina Mateus (*Aalborg University Business School, Denmark*), Natasa Todorovic (*Bayes Business School - City University, United Kingdom*)

Abstract

Standard Fama-French-Carhart models are widely used by academics to assess risk-adjusted fund performance versus market, size, style and momentum factors. However, it fails to reflect the industry standard, following which the performance of money managers is commonly evaluated relative to a corresponding benchmark and the peer group. In this paper, we introduce a new approach that augments the Carhart model and enables investors to identify the funds that outbid both the benchmark and the peer group. In addition, it allows discovering more certain winners by eliminating the under(out)performance of funds driven by the bias in the FFC factor construction. The application of our model is illustrated on Large Cap Value US active equity mutual funds using contingency tables. The performance and persistence in performance are assessed by comparing the novel and the standard Carhart models. We find that winners suggested by our approach earn more than twice as much as winners from the Carhart model (49bps vs 20bps annually) and show persistence in performance 36 months ahead. The results are robust to different specifications of contingency tables.

CEOs overconfidence and company operational efficiency Evidence from Chinese listed companies

Yiyuan Xu (*University of Birmingham, United Kingdom*), Qingjie Du (*University of Birmingham, United Kingdom*)

Abstract

This paper studies how the CEO overconfidence could affect the corporate inventory management, i.e., inventory leanness. Using a Chinese sample from 2011 to 2021, it can be found that firms with more overconfident CEO show more efficient inventory management. The relationship becomes stronger when the firm is non-state-owned company and when the firm has smaller size. In addition, there is insufficient evidence to support the enhancement of operational efficiency when the firm operates in markets with intense competition and when the CEO has no financial working experience. The results are robust using alternative measurements or different model specification. Two stage least square regression with suitable instrumental variable is used to address the endogeneity concern. Overall, the findings extend the literature on how CEO personal characteristics could affect corporate outcomes, and provide evidence on how it could affect the corporate daily operation.

Fear and risk aversion: A top-down approach

Wenzhao Wang (*Edinburgh Napier University, United Kingdom*), Darren Duxbury (*Newcastle University Business School, United Kingdom)*

Abstract

Surveying changes in investor behaviors across fear regimes, prior studies find a positive relation between fear and risk aversion, i.e., that investor risk aversion increases amid fearful periods. Little is known, however, about whether such an increase in risk aversion finally leads to systematic revision in risk aversion at the stock market and the firm levels. Employing a top-down approach, this paper examines if risk aversion, as measured by the risk-return relation, to the stock market and firms varies with fear, as measured by VIX. Market- and firm-level results reveal that compared with non-fearful periods, risk aversion significantly increases in fearful periods. In addition, the impact exhibits a cross-sectional pattern that the risk aversion to stocks bearing some specific characteristics is more sensitive to fear.

Emotions drive actions: Sentiment and cryptocurrency market reactions to macroeconomic news

Nhan Huynh (*Macquarie University, Australia*)

Abstract

This study explores the reactions of the cryptocurrency market to the U.S. announcements of macroeconomic indicators by considering the impacts of investor sentiment. Using the large intraday dataset on the top 100 crypto assets from 2014 to 2021, we confirm that the cryptocurrency market exhibits substantial reactions, regarding returns and trading volume, to the announcements of macroeconomic news. Investor sentiment exerts an important role in modifying the reactions of crypto investors. During periods of elevated bullish sentiment, reactions are 40 to 50 percent weaker compared to bearish sentiment periods. The moderated impacts of sentiment remain consistent when we consider individual announcements, good, and bad news. Our results remain robust after considering a battery of sub-sample analyses, alternative sentiment measures and estimation techniques, additional controls, and news from other major economies. This study shed further light on how investor sentiment shapes the association between fundamentals and the cryptocurrency market.

Local Corruption, State Ownership, And Corporate Risk-Taking: Evidence From A Frontier Market

Duc Nha Bui (*Ton Duc Thang University, Vietnam*), Thi Thanh Nhan Do (*Ton Duc Thang University, Vietnam*)

Abstract

We investigate the impact of state ownership and local corruption on corporate risk-taking by using a sample of Vietnam from 2011 to 2019. Our results indicate that firms with state ownership tend to lower corporate risk-taking than firms with non-state ownership. We also reveal that, on average, firms headquartered in regions with greater corruption levels have lower corporate risk-taking. Moreover, Vietnam's anti-corruption campaigns strongly impact the above results. Our results are robust to endogeneity tests and alternative variable measures for corporate risk-taking. We further find that the negative relation between local corruption and corporate risk-taking is weaker in firms with state (foreign) ownership than in firms with non-state (non-foreign) ownership. Our findings are consistent with agency theory and the asset-shielding argument that local corruption discourages managers from taking risks that expose firms to expropriation by politicians, resulting in suboptimal corporate policies.

Institutional factors, culture, sustainability targets and green financing terms: an international study

Nikolaos Kalatzopoulos (*International Hellenic University, Greece*), Konstantinos Vergos (*University of Portsmouth, United Kingdom*), Nikos Nanos (*University of Portsmouth, United Kingdom*)

Abstract
This paper examines the impact of company sustainability and corporate governance practices on green financing in US and Europe. We account for risk and profitability factors for the examined banks. We use selected data from the US and major European countries during the period 2016-2020. The empirical findings show that corporate governance practices affect green financing decisions significantly. We use NNM and Bootstraping, to confirm our findings. Overall, our findings provide extensive evidence that contributes to our understanding about the way corporate sustainable practices in Banking sector affect risk and UN sustainable goals. These findings are useful for bank regulators and provide some support to sustainability practices.

Which Tier 1 capital ratio is the binding constraint for European banks? On the robustness of the critical average risk weight framework

Renaud Beaupain (*IESEG School of Management, France*), Yann Braouezec (*IESEG School of Management, France*)

Abstract
Under Basel III, the current international banking regulation, banks must maintain two Tier 1 capital ratios that treat risky assets differently. The Basel Committee uses the critical average risk weight (CARW) framework developed by the Bank of England to determine which ratio is the binding constraint. This methodology, which implicitly assumes that each asset is subject to a uniform shock, consists in comparing the implied average risk weight of a bank to a regulatory critical threshold. Using a stress test approach, we examine whether, and under which conditions, the CARW framework identifies the correct binding capital ratio. We find important errors that are attributable to a series of simplifying assumptions made by the regulator. We finally generalize the methodology used by the Basel Committee and show how our stress-test approach can be used to determine which ratio is binding when only a (single class of) asset(s) is shocked.

Bank income smoothing, societal patriarchy and policy uncertainty

Tanveer Ahsan (*Rennes School of Business, France*), **Saqib Aziz** (*Rennes School of Business, Rennes France*), Akanksha Jalan (*Rennes School of Business, Rennes France*), Fazal Muhammad (*Institut de Gestion de Rennes - Institut d'Administration des Entreprises – Rennes, France*), Dhoha Trabelsi (*ESCE PARIS, France*)

Abstract
Using a sample of 166 banks from 8 European countries over the period 2001-2017, we investigate the moderating effects of societal patriarchy over bank income smoothing (IS), amid policy uncertainty (PU). Results indicate that banks operating in highly patriarchal societies curtail use of loan loss provisions (LLP) to smooth their income in the wake of policy uncertainty. This effect of patriarchy is attenuated in a low uncertainty environment, while the relationship is altered during financial crisis as the income smoothing increases amid heightened uncertainty. Moreover, better governance framework tends to limit the income smoothing behaviour in banks, highlighting the significance of robust monitoring and governance. Our results survive the Placebo test and GMM analysis, hence remain robust to the concerns of endogeneity and reverse causality.

Optimal Credit Committee Voting Rules When Expanding Exposure to Green Lending

Henry Penikas (*Bank of Russia, Russia*)

Abstract
Many credit institutions have declared an objective to increase the portion of green loans granted. Such tendency implies rise in default correlation. Hence, there might be a need to revise the existing credit committee voting rules used to decide upon granting large, and specifically green, loans. We demonstrate that the rise in default correlation requires banks to shift from simple majority voting rule to a weighted one. The latter one assures an improvement of the bank's return-over-risk performance.

The real cost of litigation: Evidence from security class actions and M&As

Sascha Kolaric (*University of Edinburgh Business School, United Kingdom*), Mattheo Kaufmann (*Technical University of Darmstadt, Germany)*

Abstract
We investigate the influence of ongoing security class action lawsuits (SCAs) on takeover premiums, M&A announcement returns, and the likelihood of deal completion. Targets subject to an SCA receive between 7.6 and 10.2 percentage points lower takeover premiums, with this negative effect extending to target M&A announcement returns. Acquirers of firms subject to ongoing litigation likewise experience more pronounced share price reductions than acquirers of targets not subject to litigation. Categorizing SCAs by their ultimate outcome reveals that these negative effects are more pronounced if the SCA is ultimately settled rather than dismissed. Our results hold for a variety of robustness tests that address potential endogeneity concerns. We further show that the presence of an ongoing SCA weakens the positive impact of termination fees on the likelihood of deal completion. Our results highlight the significant and economically relevant impact of litigation on major corporate events.

Local CSR, local ownership and firm value

Taylan Mavruk (*University of Gothenburg, Sweden*)

Abstract
This paper examines how local CSR activity induced local ownership affects firm performance. Local CSR activity generates positive externality to local owners who in turn increase their ownership stake in local firms, while global CSR activity builds public image, attracting remote investors to local firm. The shift in local ownership increases firm value more for global CSR activities that target a broader group of stakeholders. In the short-run stock returns increase more for positive news on global CSR activities. In the long-run there is a return reversal, however, stock returns are still positive, indicating that CSR activities influence firm fundamentals.

Evaluating the Impact of Enforcement Costs and Earnings Management on Listing Decisions: Evidence from Delistings and Downlistings in Germany

Fritz Lattermann (*Technical University of Darmstadt, Germany*), Marc Berninger (*Technical University of Darmstadt, Germany*)

Abstract
This paper examines the decision to delist or downlist in the German stock market, focusing on the role of enforcement costs and earnings management. The study analyzes delistings and downlistings from 2004 to 2021, taking into account different market segments with varying regulatory requirements. Logistic regression is applied, using published accounting errors as a proxy for enforcement system involvement and induced costs. The findings indicate that error announcements themselves do not drive delisting or downlisting decisions. Instead, the costs incurred during the enforcement process, regardless of the audit outcome, play a significant role in influencing these decisions. The study also reveals a higher utilization of earnings management prior to delistings, suggesting its use as a strategy to mask financial distress and mitigate the risk of involuntary delisting.
Overall, this research contributes to the understanding of the cost-benefit trade-off of being listed and the decision to delist or downlist. The results highlight the need to balance enforcement and compliance costs with the benefits of maintaining market integrity. The findings have implications for regulators and policymakers in shaping regulations that minimize undue burden on companies while ensuring market transparency and investor protection.

Friday, 27 October 2023

A2.1: Finance and Sustainability III

Impact of environmental performance on financial performance during COVID-19 pandemic: Evidence from unlisted firms

Vijay Kumar *(University of Waikato, New Zealand)*, Nirosha Wellalage *(University of Waikato, New Zealand)*

Abstract
It is clear that a number of industries across the world have been affected by the COVID-19 pandemic. However, it is unclear whether firms with better environmental performance have outperformed others during the pandemic. To assess this, using data from 11,187 unlisted firms in 16 economies, we examine the relationship between environmental performance and firm debt and equity financing during the COVID-19 pandemic. After controlling for sample selection bias, we find that better environmental performance by firms increases their probability of accessing bank and equity financing during the COVID-19 pandemic. We also find that the impact of a firm's environmental performance on financing is more pronounced in large firms and firms in COVID-19 sensitive industries. Our findings also suggest that appropriate initiatives from policymakers could motivate unlisted firms to be more environmentally friendly.

The Environmental Impact of Industry-level Greenfield FDI: Evidence from 30 Chinese Provinces and 32 Economic Sectors

Nadia Doytch *(CUNY- Brooklyn College and The Graduate Center, United States)*, Wei Li *(Hebei University of Technology, China)*, Yifan Wang *(Hebei University of Technology, China)*, Xiaoting Sang *(Hebei University of Technology, China)*

Abstract
In this study, we examine the impact of industry-province level greenfield foreign direct investment (GFDI) on industry-province level CO2 emissions for 32 economic sectors situated in 30 Chinese provinces. Our goal is two-fold: to test whether inward GFDI contributes to pollution and whether outward GFDI contributes to its decrease. To that goal, we have built a 2003-2016 data set that merges data on CO2 emissions from China Emission Accounts and Datasets, industry-province economic indicators from China Industry Statistical Yearbook, and proprietary data on inward and outward GFDI by industry, province, and source region from FDI Markets (Financial Times). We construct a model at the industry-province level, which controls for: an Environmental Kuznets Curve- a non-linear relationship between income and pollution; capital assets relative to employment, and environmental regulation. We further control for the effects of industry, provinces, source regions of GFDI, and time. We also disentangle the significance of different world regions- sources of GFDI, industries, and different CO2 emissions reduction targets. We reveal a plethora of environmental effects, the overall lesson from which confirms our hypothesis about inward GFDI contributing to CO2 emissions and refutes our hypothesis that outward GFDI reduces CO2 emissions.

Individual Investor ESG Preference Under Stress

Anil Gautam *(Macquarie University, Australia)*, Grace Lepone *(Macquarie University, Australia)*

Abstract
We investigate retail investor reactions to securities with high and low ESG/sustainability scores during the COVID 19 pandemic using data from Robinhood. We find that COVID reduces the number of retail investors holding securities with low ESG/sustainability scores, but not securities with high ESG/sustainability scores. We also find heterogeneity in investors' COVID reaction towards different subcategory scores. The equal-weighted buy-and-hold portfolio of high-score securities does not outperform the portfolio of low-score securities in volatility or return during the studied period, suggesting the observed retail preference for high-score securities is not financial return driven.

A2.2: Behavioral Finance III

Traumatic Childhood Experience and Household Stock Market Participation

Yibing Wang (*King's College London, United Kingdom*), Tarik Driouchi (*King's College London, United Kingdom*), **Duc Duy Nguyen** (*Durham University, United Kingdom*)

Abstract

Bereaved individuals in different cultures experience different grief processes. We find that parental death in childhood negatively affects households' propensity to participate in risky asset markets in the US, but not in China. Analyses of the underlying mechanisms suggest that China's emphasis on collectivistic values results in a lower sensitivity to trauma and a higher likelihood of receiving support from relatives that can "cushion" the negative impact of childhood trauma among Chinese households. We obtain similar conclusions when extending the analyses to Korean versus English households as well as to other European countries. Overall, our results highlight important interactions between the cultural environment and personal experiences in shaping financial decisions.

Early-Life War Experiences and Corporate Financial Outcomes

Arman Eshraghi (*Cardiff Business School, United Kingdom*), Takahashi Hidentomo (*HOSEI University, Japan*), Xu Peng (*HOSEI University, Japan*)

Abstract

This paper examines early-life exposure to war experiences among a comprehensive sample of corporate managers and their subsequent tendency towards leverage, cash-holding, investments, and M&A activity. Drawing data from the well-documented and severe Japanese experience in WW2, we show managers who survived such experiences in their pre-adolescence demonstrate distinct behavioral patterns of financial decision making in later life. They tend to borrow more, hold less cash, invest more in capital expenditure, in the context of 'what doesn't kill you makes you stronger' and in this case, more risk-seeking. More importantly, our new evidence suggests that the risk tolerant tendency revealed by corporate managers exposed to severe war is not salient because of their fear of trades/deals with out-group communities, such as avoidance of cross-border M&As and less reliance on equity financing.

Retail Customer Reactions to Private Equity Acquisitions

Vesa Pursiainen (*University of St.Gallen and Swiss Finance Institute, Switzerland*), Tereza Tykvova (*University of St. Gallen, Switzerland*)

Abstract

Acquisition announcements by private equity funds are associated with significant reductions in customer visits to target firm outlets, measured using aggregated mobile phone data. These reductions occur in primary but not in secondary buyouts. The decrease is unlikely to be due to operational changes, as it takes place at announcement and is reversed following deal completion. The decrease is larger for deals that are larger and have more newspaper coverage, as well as for outlets facing more competition, and smaller in areas with higher income, stock market participation, and self-employment rates. Customer and employee reviews do not become more negative.

A2.3: Small and Medium Enterprises Finance

Trade Credit and Firm Value

Zhiting Shen (*IAE Paris - University of Paris 1 Pantheon-Sorbonne, France*), Ydriss Ziane (*IAE Paris - University of Paris 1 Pantheon-Sorbonne, France*)

Abstract

Little past literature sheds light on the impact of trade credit on firm value. This study uses a cross-regional sample of listed SMEs in China, Eurozone and US between 2011 and 2021 to investigate regional differences of trade credit policies and their influences on firm value. The COVID-19 pandemic and government actions to suppress its damage has reshaped global supply chains and monetary environment and thus leave traces on the topic as well. Specifically, empirical evidence has been found to support the theoretical link between the stakeholder value element in trade credit and the firm value concept which does not only include shareholder value.

Fintech and financial constraints of small businesses: Empirical evidence from a cross-country analysis

Myint Moe Chit (*University of Nottingham Malaysia, Malaysia*)

Abstract

Small businesses are known for experiencing financial constraints due to the higher transaction costs associated with asymmetry of information between firms and finance providers. Recent studies argue that the development of innovations in financial technology (fintech) can alleviate the problem of information asymmetry by improving the availability and accuracy of the information and facilitating the selection, matching, and monitoring throughout financial intermediation process. This study investigates the role of fintech development in alleviating financial constraints for smaller business compared to their larger counterparts using a cross-country dataset. The findings of our paper suggest that the benefits of fintech sector development in alleviating financial constraints is greater for smaller businesses. Compared to fintech development, development in banking sector could even intensify the financial constraints experienced by small businesses although banking sector development could help reducing financial constraints in all businesses. Our findings are robust to different measures of financial constraints as well as different estimation techniques.

Family firms and SME access to finance in North Africa

Zuzana Brixiova Schwidrowski (*UNECA, Morocco*), Grakolet Gourène (Université Jean Lorougnon Guédé, Côte d'Ivoire)

Abstract

Family firms are the most prevalent form of firm ownership in North Africa. This paper contributes to the literature on family firms and access to finance by analyzing the effects of family ownership on access to credit in North Africa. Towards this goal, it utilizes 2019 and 2020 pooled cross-sectional data from the World Bank Enterprise Surveys for Egypt, Morocco, and Tunisia. Specifically, it analyzes whether family firms constrain themselves by not applying for credit or not. The results show that family businesses are less likely to apply for financing and be affected by financing constraints from formal financial institutions than non-family businesses. However, the presence of a more formal business strategy can mitigate the negative effect family ownership on firms credit demand. Promoting the implementation of formal business strategies within family businesses, as well as appropriate financial services that protect the owners in case of credit default, is therefore crucial to improving demand and then access to credit for SMEs in North Africa.

Family business during the COVID-19 pandemic in Asia: Role of government financial aid and coping strategies

Peter Morgan (*Asian Development Bank Institute, Japan*), Long Trinh (*Asian Development Bank Institute, Japan)*, Wataru Kodama (*Asian Development Bank Institute, Japan*), Kunhyui Kim (*Nagoya University, Japan*), Dina Azhgaliyeva (*Asian Development Bank Institute, Japan)*

Abstract

The COVID-19 pandemic has heavily affected economic activities. In emerging Asia, where small family businesses play central roles in their economics, previous studies found that the sector was particularly hit by the pandemic. However, little is known how households have mitigated the negative shocks on their family business during the pandemic. Using ADBI's representative household surveys in seventeen Asian countries from the Association of Southeast Asian Nations (ASEAN) and the Central Asia Regional Economic Cooperation (CAREC) regions, this paper investigates the role of coping strategies and government financial aid in mitigating the adverse impacts of the pandemic on family business conditions in the short run. We find that (i) coping strategy is associated with lower probability of both a decline in income from family business and family business closure; (ii) government financial aid is associated with the lower probability of a decline in family business income, partly through affecting the probability of adopting effective coping strategies; and (iii) receiving government financial aid is correlated with a higher probability of adopting coping strategies. The latter is more likely for male-headed households than for female-headed household. This heterogeneous effect between female-headed and male-headed households could be explained by a limited financial capacity of female household head.

Factors and Anomalies in the Vietnamese Stock Market

Xiangqian Sharon Huang (*Chinese University of Hong Kong, China*), Clark Liu (*Tsinghua University, China*), Tao Shu (*Chinese University of Hong Kong, China*)

Abstract
We conduct a comprehensive analysis of factors and anomalies in the Vietnamese stock market and propose a new factor model that can effectively account for most anomalies in Vietnam. Our analysis indicates that the size effect is significant in Vietnam, and the earnings-to-price (EP) is more effective than book-to-market in capturing the value effect in Vietnam. Furthermore, we find that a three-factor model, which includes a market factor, a size factor, and an EP factor (the VN-3 model), outperforms the Fama-French three-factor model, but still leaves significant alphas for many anomalies. To enhance the explanatory power of the model, we construct a Vietnamese four-factor model (the VN4 model), which incorporates a factor based on twelve-month turnover into the VN-3 model. We find that the VN-4 model effectively explains most of the anomalies observed in the Vietnamese market.

Risk-Neutral Higher Moments and the Cross-Section of Stock Returns

Sai Ke (*University of Mississippi, United States*)

Abstract
I examine the pricing of risk-neutral moments in the cross-section of stock returns. Contradicting theory predictions, stocks with high option-implied skewness have empirically high average returns. While stocks with high option-implied volatility have high average returns, stocks with high option-implied kurtosis tend to have low returns. The moment-return relationship is persistent across options maturity and stock holding period. The skewness-return relationship is observed among all firms, but the negative kurtosis-return relationship is driven by firms with high volatility, low market value, and high illiquidity. The theoretically contradictory positive skewness-return relationship is also robust to controlling total volatility risk, firm characteristics, alternative estimation methods, and different asset price behavior on important news days.

Predictive Patentomics: Forecasting Innovation Success and Valuation with ChatGPT

Stephen Yang (*Pace Academy, United States*)

Abstract
Analysis of innovation has been fundamentally limited by conventional approaches to broad, structural variables. This paper pushes the boundaries, taking an LLM approach to patent analysis with the groundbreaking ChatGPT technology. OpenAI's state-of-the-art textual model accesses complex information about the quality and impact of each invention to power deep learning predictive models. This nuanced representation of the text drives a 24% incremental improvement in R-squared predicting patent value and clearly isolates the worst and best applications. These models enable a revision of the contemporary Kogan, Papanikolaou, Seru, and Stoffman (2017) valuation of patents by a median deviation of 1.5 times, accounting for potential institutional predictions. Furthermore, the market fails to incorporate timely information about applications; a long-short portfolio based on predicted acceptance rates achieves significant abnormal returns of 3.3% annually. The models provide an opportunity to revolutionize startup and small-firm corporate policy vis-à-vis patenting.

Option Pricing Simplified

Nilanjana Chakraborty (*Independent Researcher, India*), Mohammed Elgammal (*Qatar University, Qatar*)

Abstract
Here we present three option-pricing models, one based on the underlying asset and two based on indices that are averages of the prices of options having same particulars but different strike prices. These models estimate an option price directly from the market movements in the prices of the underlying asset or the options having different strike prices. Besides their ease of computation, the average pricing errors of these new models are comparable to or less than those of the extant models like the Black-Scholes model, the Heston-Nandi GARCH(1,1) model and the Conditional Black-Scholes model, making the former preferable.

Disconnecting Financial Misconduct: Social Connectedness and Misconduct in Financial Advising

Jyothsna Harithsa (*Rensselaer Polytechnic Institute, United States*), Raffi Garcia (*Rensselaer Polytechnic Institute, United States*), Bill Francis (*Rensselaer Polytechnic Institute, United States*)

Abstract
This paper investigates how strong social ties affect agent-regulator relationships and financial misconduct in U.S. registered investment advisories. Using difference-in-differences to exploit the quasi-experimental properties of the Dodd-Frank Act, we find that the change in regulatory purview increases the fraudulent malpractice in mid-sized advisory firms compared to large advisories. Financial misconduct increases at advisories more socially connected to regulators, even after controlling for geographical distance. The results show a disrupting agent-regulator relationship effect when the officer belongs to the largest homogeneous group, white males, and insignificance among female and under-represented minority groups. Consequently, the change in regulators and misconduct affect advisory firms' performance and services.

The Impact of Tax Law Changes on Bank Performance and Payout

Rebel Cole (*Florida Atlantic University, United States*), Nonna Sorokina (*The Pennsylvania State University, United States*), Hamid Mehran(*Independent, United States*), Michael Suher(*The Federal Reserve Board of Governors, United States*)

Abstract
In this paper, we investigate the effect of a 1996 tax law change allowing commercial banks to elect S-corporation status. We analyze the effect of this conversion on bank business model, performance, and dividend payouts, as well as the factors that contribute to the likelihood of conversion from C- to S-Corporation. Within the first ten years after the reform, one in three commercial banks had either converted to or chartered as the S-corporation legal form of organization. The share of S-corporations in the industry then plateaued after failed attempts to expand eligibility criteria, but S-corporations retain a solid share among community banks since then. We find that dividend payouts increase substantially after the conversion, and that banks in S-Corporation status are less risky and more profitable. Overall, our results provide evidence that the application of Subchapter S status to commercial banks has significant effects on banks' conduct and outcomes.

Effects of Bank Capital and Lending on Leverage, Risk, and Growth of Non-Financial Firms

Lindsay Baran (*Kent State University, United States*), Nonna Sorokina (*The Pennsylvania State University, United States)*, Ajay Patel (*Wake Forest Unviersity, United States)*

Abstract
Does bank capital impact the capital structure of non-financial firms? If so, then how and why? We find a negative association between firm leverage and bank capital pre-Basel but a positive association post-Basel. Lending appears to be a channel for the effect pre-Basel but not post-Basel. We attribute the change to a shift from relationship to transactional lending. In addition, pre-Basel, greater lending is associated with higher firm risk and slower firm growth. But post-Basel, greater lending to bank-dependent firms is negatively correlated with firm risk but positively correlated with growth. The effects are consistent with stronger monitoring and with the reliance of bank-dependent firms on bank credit for growth. Overall, our findings indicate that the transition to risk-weighted capital requirements appears to reflect a healthy relationship between bank capital dynamics and outcomes for firms in the real economy as measured by leverage, risk, and growth. The paper provides important new implications of bank capital structure policy on the financial structure of non-financial firms. It also contributes to the debate on the spillover effects of risk reduction in the financial sector via capital regulation onto the broader real economy.

A2.6: Corporate Finance III

Geopolitical Risk and Corporate Capital Structure

Md Shahedur R Chowdhury (*Arkansas Tech University, United States*), Mohsen Aram (*Western Kentucky University, United States*), Siamak Javadi (*University of Texas Rio Grande Valley, United States*)

Abstract

Utilizing a news-based index of geopolitical risk (GPR) and using over 62 years of data, we find that GPR has a long-lasting negative impact on leverage. This result is robust to different model specifications, different proxies for leverage, several robustness tests, and survive after addressing endogeneity concerns through quasi-natural experiment and instrumental variable regression. We provide evidence that the effect is channeled through both the demand and supply of credit. Cross-sectional tests indicate that the effect is stronger for firms with higher existing leverage, those with more irreversible investment, and those with higher exposure to GPR.

Environmental Regulatory Risk and Corporate Tax Avoidance: International Evidence

Md Ismail Haidar (*University of Texas Rio Grande Valley, United States*)

Abstract

Most previous studies model tax avoidance as a function of firm-level characteristics and do not consider how environmental regulations affect tax avoidance. This paper investigates how environmental regulatory risk affects corporate tax avoidance. I find robust empirical evidence that environmental regulatory risk negatively affects tax avoidance, even after accounting for firm and country-level factors. I further find that corporate tax avoidance declined for firms in countries that adopted an emission trading system. The effect of environmental regulatory risk is more pronounced in countries with a good information environment and less pronounced in countries with an external governance mechanism. Moreover, this effect is attenuated for firms with high investment activities. Overall, this research implies an important economic consequence of environmental policy stringency not examined by previous studies.

Higher risk requires more rewards? Firm-level climate risk and top executives' compensations

Nhan Huynh (*Macquarie University, Australia*), Eun-Kyung Lee (*Chongqing University, China*), Hoa Phan (*RMIT University, Australia*)

Abstract

This study examines the impacts of firm-level climate risk on top management's extrinsic incentives. Utilizing a large sample of firms across 35 countries from 2001 to 2021, our results support the risk-driven-reward hypothesis that climate risk positively (negatively) influences cash-based (equity-based) compensation. Further, we confirm three channels for impacts of climate risk, including motivations for eco-innovation, managerial bargaining power, and future corporate performance. We find supportive evidence that the primary effects of climate risk are more pronounced for firms with financial constraints, higher international exposure, and more socially responsible. The impacts are also confirmed for firms of more polluting industries and countries with high corruption and ineffective minority shareholders protection. Our results hold after we address the endogeneity problem by using a battery of robustness tests and sensitivity analyses.

B2.1: Finance and Sustainability IV

The Impact of Financial Institutions' ESG Participation on Performance ‚Äì The Analysis Considering Media and Google Search Effect

Pai-Wen Cheng (*National Kaohsiung University of Science and Technology, Taiwan*), Wei yu-Chen (*National Kaohsiung University of Science and Technology, Taiwan*), Chen chia-Chen (*National Kaohsiung University of Science and Technology, Taiwan*)

Abstract

This study examines the impact of ESG sustainable management investment and exposure levels on performance indicators for financial industry companies listed on the Taiwan Stock Exchange and OTC market from 2012 to 2020. In addition to analyzing the entire financial industry, the financial industry is further divided into four sub-industries to compare the differences in the impact of ESG and media exposure on performance indicators. The empirical results show that the higher the investment in corporate social responsibility (CSR) activities or the use of news media reports on the company's sustainable activities, the greater the positive and significant impact on the company's performance, regardless of whether it is the financial industry as a whole or divided into banking, securities, insurance, and financial holding companies. Therefore, it is recommended that the financial industry strengthen its corporate social responsibility actions in various aspects when planning ESG sustainability initiatives, and disclose the company's implementation of ESG sustainability in a timely manner, so as to enhance communication with stakeholders, reduce the level of information asymmetry regarding the company's operations, and make a real contribution to the performance of financial industry companies. Key Words: Media Reputation, Financial Institutions, Performance, CSR, ESG

The Stock Market Response to the China Carbon Neutrality

Andrew Lepone (*Macquarie University, Australia*), Bei Dai (*Macquarie University, Australia*), Grace Lepone (*Macquarie University, Australia*)

Abstract
Climate change and carbon dioxide emissions reduction are attracting an increasing attention among policymakers globally. Many developed and emerging economies have committed to reducing carbon dioxide emissions and have implemented climate change policies in recent years. The relationship between environmental regulations and market performance has been widely discussed in existing literature. However, limited research has been undertaken to examine the market response to the environmental protection initiatives. In September 2020, China announced its carbon neutrality initiative that the country, which is the second largest economy in the world, will peak its carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060. Our study investigates the impact of this event on China's stock market by using both the constituent stocks of the CSI 300 index and those of the later established SEEE Carbon Neutral Index. Results indicate that stocks with a carbon-neutral concept respond positively to the Government's climate change commitment.

Are Photographs and Graphs Beneficial? Examining the Effects of Images in Sustainability Reporting on Investors' Willingness-to-Invest

Wenting Meng (*Shanghai International Studies University, China*), Xiaolan Yang (*Shanghai International Studies University, China*), Shu Chen (*Shanghai International Studies University, China*)

Abstract
Images, including photographs and graphs, are extensively employed in sustainability reporting, but their use has often been criticized as a tool for impression management. In our experimental study, we examined the impact of these images on investors' perceptions and their willingness to invest in companies with varying levels of sustainability performance. Our findings reveal an interactive influence between presentation format and sustainability performance on investors' perceptions of a company's environmental responsibility, as well as their processing fluency. The incorporation of photographs and graphs enhances the willingness to invest in companies with negative sustainability performance, an effect that is mediated by the perceived environmental responsibility. Conversely, the inclusion of graphs bolsters the willingness to invest in companies demonstrating positive sustainability performance, an effect driven by processing fluency. Taken together, our study underscores the potential consequences of image misuse in sustainability reporting.

B2.2: Banking Regulation and Financial Services IV

Determinants and macroeconomic effects of non-performing loans in banking sector: A panel data analysis of commercial banks in Oman

Ananda Suryanarayana (*College of Banking and Financial Studies, Oman*), Roslin Lazarus (*College of Banking and Financial Studies, Oman*), Dharen Kumar Pandey (*Department of Commerce, Magadh University, India*), Ratikant Bhaskar (*Indian Institute of Technology, Indian School of Mines, Dhanbad, India*)

Abstract
Over the years, the banking sector in Oman has a significant influence in the sustainable growth of Oman economy. No doubt, a strong banking sector plays a vital role in the economic growth of a nation. The instability in the banking sector will have a negative impact on all other sectors of the economy. The quality of assets of banks reflects the performance of the banks and will be critical for sustainable growth of banks as well as economy. The non-performing loans are the key determinant for the solvency, sustainability and long-term growth of the banks. In this background, an attempt will be made in this study with an objective of investing the key determinants of non-performing loans in

baking sector in Oman and it macroeconomic effects. The study will be exploratory in nature and makes use of secondary data from the year 2011 to 2022. A comprehensive panel data analysis technique was used to diagnose the bank and economic specific determinants of non-performing loans in banking sector in Oman. The study results will be useful to the stakeholders to evaluate the performance of banks in terms of management of non-performing loans and to understand its impact on macro economy. The results of the study will provide insight and mechanisms for management of nonperforming loans for policymakers and bankers.

Does a Financial Crisis Impair Corporate Innovation?

Michiru Sawada (*Nihon University, Japan*), Masami Imai (*Wesleyan University, United States*)

Abstract

We examine whether a financial crisis impairs corporate innovation in the context of the 1997- 1998 crisis in Japan, which features a sharp decline in bank credit, the collapse of multiple major banks, and the economy's failure to revert back the pre-crisis growth trend. In order to explore causal mechanisms, we link together three separate pieces of firm-level longitudinal data sets: (1) patent counts from 1994-2003 as well as the number of future patent citations up until 2018 to measure the quantity and quality of innovation output, (2) dependence on intermediated funds, and (3) financing relationships with the failed banks. We show that innovative outputs of firms that rely more heavily on bank finance fell more, and that bank dependence matters more for small firms. In addition, compared to otherwise similar firms, a group of small firms which had long-term relationships with the failed banks exhibited a large decline in innovative outputs. Taken together, the results are consistent with the view that crisis-induced disruptions in the provision of intermediated funds reduced innovative capacity of the opaque, bank dependent firms.

Are Banks Efficient in Emerging Economies? A Comparative Analysis for Conventional and Islamic Banks

Diyan Lestari (*University of Wollongong, Australia*), Shiguang Ma (*University of Wollongong, Australia*), Aelee Jun (*University of Wollongong, Australia*)

Abstract

The global financial crisis has provided essential lessons in the critical aspect of regulation and supervision in the financial system. Generally, supervision and regulation in the banking sector are designed to enhance bank soundness. However, regulatory compliance becomes one of the most prominent issues for banks which might increase or reduce bank tension to allocate their resources. Moreover, greater competition after bank deregulation is also expected to improve bank efficiency. This study addresses how regulation, supervision, and bank market structure affect efficiency in emerging countries from 2008 to 2021 and analyzes conventional and Islamic banks. We employ the Data Envelopment Analysis (DEA) technique to measure bank efficiency. The results show that commercial and Islamic banks behave differently in responding to supervision and regulation and managing efficiency. Furthermore, less competition promotes the enhancement of efficiency in both conventional and Islamic banks. Additionally, effective supervision and regulation are expected to reduce the destructive impact of unhealthy competition in the banking sector.

B2.3: Financial Markets, Institutions, and Money

Dynamic Interactions among G7 Sovereign Bond Yields and the Flight to Quality

Evangelos Salachas (*Athens University of Economics and Business, Greece*), Drakos Anastasios (*Athens University of Economics and Business, Greece*)

Abstract

We study the volatility dynamics and the interactions among the G7 government bond yields during the last two decades. We employ a VAR-DCC-GARCH model to account for time- varying variances and correlations and to trace and measure the sources of bond co-movements. We find that a large proportion of the variation in the yields is derived from spillovers, whereas although bond yield co-movements vary extensively over time, they are intensified during financial and economic distress periods. In addition, we argue that Germany and France contribute largely on the bond variations, while Japan is a net receiver of shocks in the international bond markets. Also, we point out the existence of the flight to quality phenomenon during distress periods which offers significant portfolio diversification benefits for investors.

Understanding the Impact of Natural Gas Price Shocks on European Stocks During Episodes of Extreme Price Volatility

Adrian Vilasanchez (*Dublin City University, Ireland*), **Shaen Corbet** (*Dublin City University, Ireland & University of Waikato, New Zealand*), John W Goodell (*University of Akron, United States*)

Abstract

Amid geopolitical tension and evolving energy security dynamics, this study provides a comprehensive investigation of the relationship between natural gas price shocks and European stock market returns, specifically considering three major international gas hubs. While focusing on broad interactions, this research also considers the sectoral effects of the extreme volatility of international gas markets upon European stocks, along with significant geopolitical events such as the Nord Stream sabotage. Results indicate that the long-term impact, while generally modest, is significantly time-varying and particularly pronounced during substantial natural gas price fluctuations. This effect is most conspicuous within both the oil & gas and basic resources sectors. Furthermore, our findings demonstrate that energy security disruptions, such as the Russia-Ukraine conflict, have induced heightened energy costs and ushered in pivotal research areas surrounding energy cost management and policy responses. The results of this research have critical implications for policymakers, investors, and stakeholders engaged in energy and financial markets alike.

National collectivism and insurance demand: Theory and evidence

Xuan Nguyen (*Deakin University, Australia*)

Abstract

Collectivism, an element of culture, has been known to drive differences in consumer behavior across countries, but it remains unknown how it influences the demand for insurance, in particular in Confucian Asian and Southern Asian, Middle East, and Eastern European economies in which the degrees of institutional collectivism and in-group collectivism are especially high. This paper attempts to shed some light on how collectivism profiles impact life, nonlife, and aggregated insurance consumption, using data on 25 economies in the period 1995‚Äì2018. We find strong evidence for the effects of institutional collectivism and in-group collectivism on the demand for aggregated and life insurance. Effects of these collectivism profiles on the demand for nonlife insurance are also evidenced in Confucian Asian economies. Interestingly, the Asian financial crisis is found to negatively impact the demand for aggregated and life insurance but not so for the case of nonlife insurance. Results are helpful for constituents of the insurance sector, especially government policies, during an economic shock such as the COVID-19 pandemic.

B2.4: Corporate Governance

Empirical study on the voting results recommended by proxy advisory companies: Evidence from Japan

Hiroaki Miyachi (*University of Tokyo, Japan*), **Fumiko Takeda** (*Keio Business School, Japan*)

Abstract

This study examines the relationship between proxy advisory firms' recommendations and investors' voting behaviour in Japan. Corporate governance in Japan has transformed under the Stewardship Code, which designates institutional investors responsible for enhancing the corporate value and sustainable growth of investee companies through dialogue and engagement. Based on 1,025 shareholder meeting proposals recommended by proxy advisory firms in Japan between March 2010 and March 2022, multivariate regression analyses reveal that the dissenting recommendations of the two main proxy advisory firms are negatively correlated with the approval rate of proposals, as well as the percentage of affirmative votes cast by institutional investors. Institutional investors' voting behaviour is more consistent with the recommendations of proxy advisory firms than that of other investors. This study provides scarce empirical evidence from Japan, where proxy advisory firms' recommendations are estimated to influence institutional investors' voting behaviour. We confirm a trend similar to previous studies in the U.S. In both countries, to some extent, institutional investors depend on proxy advisory firms' recommendations. This study provides important insights into the policy implications of proxy advisory firm regulation for Japanese institutional investors to enhance the corporate value and sustainable growth of investee companies through dialogue and engagement.

Individualistic culture and the insurance industry’s financial stability: Heterogeneous effects

Ana Isabel González-Fernández (*University of Málaga, Spain*), Erika María Márquez-Mancera (*University of Málaga, Spain*), María Rubio-Misas (*University of Málaga, Spain*)

Abstract

We investigate the impact of the individualism dimension of national culture on the insurance industry¬¥s financial stability. We postulate that these effects are heterogeneous, depending on the organizational form, the ownership form and the period. Using firm-level data from firms operating in the insurance markets of 10 Muslim-populous countries over the period 2013-2021 we find that, in general, individualism impacts financial stability negatively. These effects maintain for Takaful firms, unaffiliated single companies and for the non-crisis period but, they do not hold for conventional insurers, groups of firms and for the Covid-19 crisis period. Our results remain robust to tests designated to alleviate endogeneity.

15 years of two-tier enforcement in Germany - value relevance and investors' adoption to the information content of error announcements

Marc Berninger (*Technical University of Darmstadt, Germany*)

Abstract

The paper analyzes public announcements of accounting errors which were identified within the German two-tier enforcement system. For a sample of 213 error announcements from 2006 to 2019, significant negative effects on returns and trading volumes and an increase in the bid-ask spreads of the respective companies can be observed around the announcement date. Especially in the early years, these market reactions are linked to the impact of the accounting error on the firm's financial situation. Meanwhile this link weakens over time and factors related to the nature of the error become more important to the investors. In particular, errors that are attributable to the unjustifiable application of professional judgment lead to significantly more negative effects. This adaptation effects may result from learnings about the structure and scope of the enforcement system.

B2.5: Banking System and Macro-economics

Systemic risk in Core-Periphery interbank networks

Mario Eboli (*Università 'G. d'Annunzio', Italy*)

Abstract

In this paper, I study the exposure to the risk of systemic crises of core-periphery interbank networks. I focus on the effects of two financial contagion channels: common exposures and direct balance-sheet default contagion. Using flow network theory, I characterise regional and systemic contagion thresholds of the class of networks at hand under general conditions. That is, I characterise the magnitude of the smallest exogenous solvency shocks that cause the contagious default of a region or of the entire banking system. The results show that core-periphery networks are more robust to shocks concentrated in one or few core banks rather than shocks (of the same magnitude) that involve several core banks. To benchmark the resiliency of core-periphery networks to systemic crises, I compare it with the response to shocks displayed by complete and star networks. I pin down the conditions under which a Core-Periphery interbank network is more robust than an analogous complete network. At the same time, I show that a star network is always less robust than a core-periphery network. Finally, given the empirical fact that national banking systems display a high fitness to stylised core-periphery networks, I draw policy implications underlying the importance of reducing the chance of common shocks to core banks penalising their holding of overlapping and correlated portfolios.

Real exchange rate and international reserves in the era of financial integration

Jamel Saadaoui (*University of Strasbourg, France*)

Abstract

The global financial crisis has brought increased attention to the consequences of international reserves holdings. In an era of high financial integration, we investigate the relationship between the real exchange rate and international reserves using nonlinear regressions and panel threshold regressions over 110 countries from 2001 to 2020. We find the buffer effect of international reserves is more pronounced in Europe and Central Asia above a threshold of 17% of international reserves over GDP. Our study shows the level of financial-institution development plays an essential role in explaining the buffer effect of international reserves. Countries with a low development of their financial institutions may manage the international reserves as a shield to deal with the negative consequences of terms-of-

trade shocks on the real exchange rate. We also find the buffer effect is stronger in countries with intermediate levels of financial openness.

Bank regulation induced credit channels of monetary transmission

Hua Zhong (*School of Systems Science, Beijing Normal University, China*), Yougui Wang (*School of Systems Science, Beijing Normal University, China*)

Abstract

The paper analyzes public announcements of accounting errors which were identified within the German two-tier In response to the financial crisis, central banks have employed quantitative expansionary policies and implemented bank regulations to ensure financial stability. However, the interplay between these measures has raised concerns about the effectiveness of monetary transmission. This paper aims to examine the credit creation of banks with bank regulations and how these regulations rebuild the transmission of monetary policy through bank lending. The results reveal that each bank regulation forms a maximum amount of credit, referred to as a credit capacity. When banks' credit supply is subject to multiple bank regulations, the credit capacity is determined by the tightest bank regulation in effect. The new bank capital channel refers to monetary shocks changing the amount of bank capital, which is subject to the CAR and LR regulations and affects bank lending via corresponding credit capacity. The new risk-taking channel is also related to the CAR regulation, which results in a variation in credit capacity due to changes in the bank's weighting parameters of risky assets. These bank regulations can also reshape bank lending by reconstructing the balance sheet and yielding a new credit capacity. We believe that our theoretical findings can lay a foundation for designing effective monetary policy.

B2.5: Corporate Finance IV

Corporate Share Repurchases versus Dividend payment- A Qualitative Study of French Listed Companies

Yutong Li (*Paris-Saclay University & Laboratory RITM, France*), Philippe Gillet (*Paris-Saclay University & Laboratory RITM, France*)

Abstract

Various theories can substantiate the rationality behind corporate share repurchase programs. This study employs a qualitative analysis approach, attempting to understand the perspectives of over 60 listed French companies, as decision-making entities, on dividend distribution and/or share repurchases. Specifically, we explore why they opt for repurchases rather than choosing to reward shareholders solely through dividends. Our research findings demonstrate that repurchases are extensively utilized for employee stock ownership plans. Additionally, in terms of rewarding shareholders, repurchases often supplement dividends, serving as a means to allocate residual cash flows without altering dividend policies. Moreover, a multitude of hypotheses have been validated to varying degrees within this study. A notable innovation of this research lies in its methodological approach. Unlike previous studies that have generally adopted an outsider's perspective to observe, analyze, and interpret the motivations behind corporate behavioral choices, this research opted for direct questioning to gain insights into the thoughts, ideas, and responses of corporations as the primary subjects of behavior.Several theories can substantiate the rationale behind corporate stock repurchase programs. One of the most prevalent conjectures is the substitution hypothesis, suggesting that under certain circumstances, corporations prefer to distribute profits via share repurchases rather than through dividend payouts. Similarly, undervaluation may propel a firm to resort to share repurchases as it presents an effective mechanism to signal the company's true value to the market. Finally, under agency mechanisms, if repurchases are intended for granting stock options to managers, this practice can enhance alignment between shareholders' and managers' interests. This study explores managerial perceptions towards dividend payouts and/or stock repurchases, based on direct inquiries to over 60 French firms. Results initially display that dividends and stock repurchases are more complementary than competing; firms employing both these distribution strategies exhibit markedly higher dividend payout ratios and operation counts of stock repurchases. Moreover, dividends are perceived as the optimal allocation method for managing free cash flows.

Firm regulation exposure and corporate cash holdings

Jan Pieter Veerhoek (*University of Antwerp & Maastricht University, Netherlands*)

Abstract

This study examines the effect of firm regulation exposure on a firm's corporate cash holdings. Using a sample of almost 100,000 U.S. firm-years over the period 1993-2020, I find a significant and inverse relation between regulation exposure and cash levels. The findings are robust to a battery of different endogeneity tests: an instrumental

variable approach, a propensity score matching, an entropy balance test, a quasi-natural experiment and omitted variable tests. In addition, the findings are robust to an alternative measure of firms' regulation exposure and cash holdings. The effect of regulation exposure on cash holdings is mitigated by stronger corporate governance. Furthermore, the impact is more pronounced among firms that experience lower financial constraints, engage in increased lobbying efforts, exhibit lower levels of diversification, face heightened litigation risks, and operate within more concentrated product markets.

Board Monitoring and Corporate Disclosure: The Role of Firm-Level Governance and Institutional Environment
Alexander Muravyev (*The HSE University, Russia*)

Abstract
This paper uses a unique panel dataset of publicly traded firms in an emerging economy to study whether and how corporate disclosure is related to board monitoring, firm-level governance and institutional environment. Using conventional techniques of panel data analysis, we find a positive relationship between the amount of disclosure and several proxies for board monitoring, suggesting complimentary between the two. We also find greater disclosure by firms that have better internal governance (proxied by the non-use of dual class stock) and face a stronger institutional environment (proxied by the issue of ADRs). Moreover, these two factors seem to reinforce each other with respect to disclosure. Most importantly, the complementarity between disclosure and board monitoring turns out to be strongest among well-governed firms operating in a weak institutional environment. There is little evidence of such a complementarity under strong institutions. The findings lend support to comprehensive policies aimed at simultaneous improvements in both board governance and corporate disclosure in weak institutional settings.

Saturday, 28 October 2023

A1.1: Market Behavior and Efficiency

Forecasting U.S. Stock Returns Conditional on Geopolitical Risk and Business Cycles

Serkan Karadas (*University of Illinois Springfield, United States*), Minh Tam Schlosky (*University of Illinois Springfield, United States*), Adam Stivers (*University of Wisconsin-La Crosse, United States)*

Abstract
Using standard predictors in the forecasting literature, we forecast the U.S. stock returns conditional on the geopolitical risk and the business cycles over the 1927-2021 period. Overall, we find weak evidence of forecastability during our full sample period, but stronger evidence of forecastability (based on the number of predictors with statistically significantly positive out-of-sample R2) in periods of high geopolitical risk. We find further evidence of return predictability in recessions as well as in both recessions and expansions when they are combined with measures of geopolitical risk. Focusing on stock-price-dependent forecasting variables reveals our clearest results: the forecastability is superior in periods of low geopolitical risk during recessions and in periods of high geopolitical risk during expansions. Our study contributes to the literature by documenting that geopolitical risk by itself and in combination with business cycle indicators impacts the forecasting ability of standard forecasting variables in the literature.

The Information Content of Tone Dispersion: Evidence from Earnings Conference Call Q&As

Yuxin Zhang (*University of Nottingham, Ningbo campus, China*), Jingyu Zhang (*Queen's University, Canada*), Jyun-Ying Fu (*National Chengchi University, Taiwan)*

Abstract
Verbal features of a text matter for its information content. We quantify verbal features along two dimensions: tone level and tone dispersion. We textually analyze question-and-answer (Q&A) sessions of earnings conference calls and use the FinBERT model to measure tone level and tone dispersion. We find share prices respond more sensitively to earnings news accompanied by highly tone-dispersed Q&A sessions, and these Q&A sessions are associated with larger reductions in implied volatility of stock options around earnings news. These findings hold after controlling for tone level measures and investor attention proxies.
Combined, these patterns suggest that conference calls with higher tone dispersion produce more new information beyond cold financial figures, thus having greater price impacts and further resolving firm-specific uncertainty. Our evidence suggests how the executives respond to analysts' questions plays a dominating role.

Information Intensity: Public Announcements and Stock Forum Discussions

Henry Leung (*The University of Sydney, Australia*), Mi Chen (*The University of Sydney, Australia*), Quan Gan (*The University of Sydney, Australia*)

Abstract
This study examines whether the information intensity of the arrival of public announcements and stock discussion forum postings impacts returns and volatilities on the Australian Securities Exchange. We find that the intensity of posts is significantly and positively related to the intensity of public announcements. After controlling for the intensity of all public announcements, the intensity of stock forum postings positively predicts short-term stock returns, and its explanatory power moderates within a week. In particular, the intensity of discussion postings following price-sensitive announcements negatively predicts future stock returns. We also find that after controlling for firm characteristics, discussion post intensity and stock volatilities are negatively related. We construct both single-sorted and double-sorted long-short portfolios based on the information intensity of a sub-sample of small-sized stocks, and find that cumulative weekly excess returns are significant at 2.1% for single-sorted and 7.8% for double-sorted portfolios. We find forum discussion post intensity positively predicts short-term stock market liquidity.

A1.2: Behavioral Finance IV

Gender Gap in Investment Performance Revisited: The Role of Attention

Jarkko Peltomaki (*Stockholm University, Sweden*)

Abstract

This paper revisits the effect of gender on portfolio performance taking into account differences in levels of investor attention. Using information on trading accounts of over 580,000 retail investors from Sweden, we find that the difference in investment performance between men and women depends on the attention span that they pay to their investments. We show that attentive men outperform attentive women, while women tend to show superior performance only in the case of inattentive investors. In addition, we find that young men appear to gain the most benefit from paying attention. These results indicate that investor attention can explain gender-based performance differences and can be attributed to weaker financial confidence preventing women from benefiting from acquiring information.

Do Female Analysts Know Politics Better? Evidence from China

Haoran Wu (*Kean University, United States*), Jiahe Zhou (*Kean University, United States*), **Qilong Yu** (*Kean University, United States*)

Abstract

This study, utilizing data spanning from 2008 to 2018 as its sample, examines and analyzes disparities in forecasting accuracy and optimism between male and female analysts in China when confronted with political events. Additionally, it assesses whether males and females exhibit differing levels of political sensitivity. The findings indicate that under political conditions, analysts tend to demonstrate lower forecasting accuracy coupled with greater optimism. This research contributes to existing literature by establishing that female analysts, under the influence of politics, offer predictions that are not only more accurate but also less optimistic compared to their male counterparts. Here, politics refers to the level of political connection of the predicted company, the local political corruption level, or the economic policy uncertainty condition. Further investigation into the reasons behind the heightened accuracy and reduced optimism among female analysts in political contexts reveals that this phenomenon becomes more pronounced in the presence of gender inequality and is further intensified when there is a higher number of mothers among female analysts.

CEOs' Reaction to Terrorism-Induced Trauma and Corporate Innovation

Wei-Hsien Li (*National Central University, Taiwan*), Debarati Bhattacharya (*Duquesne University, United States*), Tzu-Chang Forrest Cheng (*National Central University, Taiwan*), Meng-Ju Chuang (*National Central University, Taiwan*), Zi-Peng Wang (*National Central University, Taiwan*)

Abstract

This research examines how CEOs who experience terrorist attacks during their college years make corporate innovation decisions later in their lives. Consistent with terrorist attacks negatively affects risk aversion and cognitive ability of people, we find that past terrorism-induced trauma leads to more spending on R&D and less innovation output while controlling the firm's concurrent exposure to terrorism. In addition, we show how terrorism-induced psychological effects affect risk preferences through two emotional channels, anger and fear, by exploiting different types of attacks, categorized by attack tactics and targets. While both male and female CEOs suffer the cognitive ability damage from terrorist attacks, only male CEOs exhibit lower risk aversion. Finally, the psychological impact from past terrorism-induced trauma decays overtime since the results are more prevalent for younger CEOs.

A1.3: Market Microstructure

A New Entropic Measure for the Causality of the Financial Time Series

Peter Lerner (*SUNY Brockport, United States*)

Abstract

This paper develops a deep learning-based econometric methodology to determine the causality of the financial time series. This method is based on an entropic mutual information measure between the sets created by the generator and discriminator (critic) of the C-GAN neural network. It is applied to the imbalances in daily transactions in individual stocks, as well as the ETFs reported to SEC with a nanosecond time stamp.

A Novel Approach to Queue-Reactive Models: The Importance of Order Sizes

Hamza Bodor (*BNP Paribas Corporate and Institutional Banking, France, & Université Paris I - Panthéon – Sorbonne, France*), Laurent Carlier (*BNP Paribas Corporate and Institutional Banking, France*)

Abstract

In this study, we delve into the application and extension of the queue-reactive model for the simulation of limit order books. Our approach emphasizes the importance of order sizes, in conjunction with their type and arrival rate, by integrating the current state of the order book to determine, not only the intensity of order arrivals and their type, but also their sizes. These extensions generate simulated markets that are in line with numerous stylized facts of the market. Our empirical calibration, using futures on German bonds, reveals that the extended queue-reactive model significantly improves the description of order flow properties and the shape of queue distributions. Moreover, our findings demonstrate that the extended model produces simulated markets with a volatility comparable to historical real data, utilizing only endogenous information from the limit order book. This research underscores the potential of the queue-reactive model and its extensions in accurately simulating market dynamics and providing valuable insights into the complex nature of limit order book modeling.

Competition in Liquidity Provision: Analysis of High-Frequency Market-Making and Policy Implications

Takaki Hayashi (*Keio University, Japan*), **Katsumasa Nishide** (*Hitotsubashi University, Japan*)

Abstract

We construct a financial market model wherein market makers post limit orders to compete for liquidity. We show that market makers may relinquish liquidity provision because of competition if the fundamental value of the asset is volatile. Besides the general perception that cancellation harms market liquidity, we find that cancellation can sustain liquidity and prevent depletion. Moreover, this finding, as well as others, leads to an important policy implication that the cancellation strategy, one of the most prominent characteristics of high-frequency trading, can positively affect market liquidity and should not be strictly regulated.

A1.4: Asset Pricing and Allocation II

Minimal dynamic equilibria

David Feldman (*UNSW Sydney, Australia*), Dietmar Leisen (*University of Mainz, Germany*)

Abstract

We demonstrate that prevalent empirical implementations of asset pricing are inconsistent with dynamic equilibria (multiperiod equilibria with no static representations). Specifically, empirical implementations are misspecified with respect to three essential asset pricing questions (TEQ): dependency on higher moments, complexity of risk premia, and mean-variance efficiency of the “market portfolio” (the pricing kernel/SDF). While we already know that “Merton models” and their derivatives differ from static models in all TEQ, we show that this is the case even for Minimal Dynamic Equilibria (dynamic equilibria with the simplest structure).

Risk-Return Relation of Cryptocurrency Carry Trade

Xin Tong (*University of Manitoba, Canada*), Zhenzhen Fan (*University of Manitoba, Canada*), Feng Jiao (*University of Lethbridge, Canada*), Lei Lu (*University of Manitoba, Canada*)

Abstract

This paper comprehensively examines the risk-return relation of cryptocurrency carry trade using realistic borrowing and lending interest rates. We find significant violations of the uncovered interest rate parity in the cryptocurrency market. The cross-sectional carry trade strategy yields an annualized return of 46.71% and a Sharpe ratio of 0.77. Unlike fiat-currency carry trade which is vulnerable to crash risk, the cryptocurrency carry trade is resistant to the cryptocurrency market crashes in 2018 and 2021. We show that the crypto-carry trade returns cannot be explained by established risk factors from fiat currencies or cryptocurrencies. We find that geopolitical risk explains a substantial amount of the carry returns.

Estimation and Test of a Simple Model of Robust Capital Asset Pricing: An Info-Metrics Approach

Ariel Viale (*Palm Beach Atlantic University, United States*), Luis García-Feijóo (*Florida Atlantic University, United States)*

Abstract

We apply relative entropy as pseudo-metric of model discrepancy and generalized maximum entropy (GME) as principle of statistical inference to otherwise standard two-step cross-sectional asset pricing tests, to show that a single-factor market representation of the CAPM under ambiguity, can explain the cross-section of U.S. stock returns without the aid of additional risk factors, which can be interpreted as compensations for idiosyncratic ambiguity. The proposed empirical asset pricing approach, allows us to recover the market price of ambiguity that sets a lower (entropy-based) bound on stock prices, which can be interpreted as investors' "margin of safety" against extreme market events.

Racial Integration and Active Investing

Zhengyifan Chen (*University of Manitoba, Canada*), Victor Chen (*University of Manitoba, Canada*), Gady Jacoby (*University of Manitoba, Canada*), Hao Jiang (*Michigan State University, United States*), Chi Liao (*University of Manitoba, Canada*), Lu Lei (*University of Manitoba, Canada*)

Abstract

This paper investigates the impact of racial residential integration on the informational environment of local firms and on the ability of active-style mutual funds managers to select local stocks. Our firm-level tests reveal that firms headquartered in racially residential integration states experience a better informational environment characterized by lower analysts' earnings forecast dispersion and lower market makers' adverse selection. The state-level racial residential integration of firms' headquarters is also positively associated with firms' stock price informativeness, with the association being more pronounced for firms that have a lower fraction of active investors' ownership. Further analysis shows that mutual fund managers in states with lower (higher) racial residential integration (segregation) exhibit a superior ability to pick local stocks, a skill strong enough to improve their overall stock-picking performance. Moreover, these effects are more pronounced during a booming economy and more significant for mutual funds with white managers.

A1.5: Banking Regulation and Financial Service V

Are Listed Banks Riskier Than Private Banks?

Nonna Sorokina (*The Pennsylvania State University, United States*), **Ajay Patel** (*Wake Forest University, United States*), Hamid Mehran (*Independent, United States*)

Abstract

In this paper, we shed light on the narrative that listing contributes to risk-taking by examining the risk characteristics of listed BHCs, small enough to be private, against a sample of comparable private BHCs large enough to be listed over the 1990 to 2019 period. We measure our proxies for risk characteristics over various intervals in the sample period to account for the effect of new regulations and intensity of information production by regulators, markets, and financial firms. We find that listed BHCs have higher ROA volatility, on average, and particularly during the financial crisis of 2007-2009. Listed BHCs appear to be riskier as measured by the other common risk proxies. Nevertheless, publicly traded BHCs have a lower propensity to fail during the financial crisis. Listed BHCs that remain in the sample over the entire sample period (surviving public BHCs) did not exhibit an increase in the volatility of ROA during the crisis relative to surviving private BHCs. Our results also indicate that the risk characteristics of listed banks in our sample are similar to those for private BHCs over the post-crisis period. Thus, it is likely that the financial crisis and subsequent changes in the operating environment facing banks may have contributed to leveling the playing field in terms of risk-taking for listed BHCs relative to private BHCs.

Data Sharing in a Fintech Lending Ecosystem

Ben Charoenwong (*National University of Singapore, Singapore*), Yiyao Wang (*Shanghai Advanced Institute of Finance, China*)

Abstract

Abstract We develop a model of a lending ecosystem featuring fintech lenders and banks with overlapping generations of borrowers with private quality. Due to their advanced screening technologies, fintech lenders improve financial inclusion by lending to risky borrowers who would have otherwise been rationed by banks. In doing so, fintech lenders also create valuable credit history data that permits collaboration with banks through data-sharing agreements. We study how different data-sharing agreements, such as data licensing, flat-fee subscription, and

exclusive sales through joint lending or blinded data tokenization, affect financial inclusion and social welfare in the economy. Our paper highlights the value of the credit history data market in a fintech lending ecosystem and the role that the government needs to play in regulating the market.

Bank lending during the 2008 credit crunch: Only what matters, capital or liquidity?

Hélyoth Hessou (*University of Sherbrooke, Canada*), **Van Son Lai** (*Laval University, Canada, & IPAG Business School, France*)

Abstract
Following the 2007-2008 global financial crisis (GFC) credit crunch, a large literature points to a major role of bank liquidity but other important works find support to bank capital in fostering bank lending. To dig further on the drivers of bank lending, we employ a novel empirical approach to study the effects of bank ante-GFC (i.e., beforehand GFC) levels of capital and liquidity on bank lending growth during the GFC. We create a treatment indicator to capture banks that were prone to liquidity risk at the outset of the GFC. We find that for all banks both US banks' capital and liquidity affect their ability to lend during the crisis but the capitalization impact is the most stable and a crucial one. Holding liquid assets complements building capital only for small banks under $ 1 billion in assets. Therefore, in implementing Basel III liquidity requirements, regulators should give precedence to bank capital and ensure that small banks hold sufficient liquid assets.

A1.6: Corporate Finance V

CEO Initial Contract Horizon and the Design of Private Debt Contracts

Hasibul Chowdhury (*The University of Queensland, Australia*), **Wenbin Hu** (*The University of Queensland, Australia*), Shunji Mei (*The University of Auckland, New Zealand*), Kelvin Jui Keng Tan (*The University of Queensland, Australia*)

Abstract
By hand-collecting newly appointed CEO employment contracts from SEC filings between 1994 to 2018, we find that CEOs with longer contract horizons during their initial employment periods incur significantly higher bank loan costs. We establish the casual effect of CEO initial contract horizon on loan spreads via a quasi-natural experiment that focuses on the U.K. corporate governance regulatory reform. The effect of CEO initial contract horizon on loan spreads is more pronounced when the economy is in a downturn or a firm has less transparent information environment. We also find that CEOs with longer contract horizons encounter tightened nonprice loan terms and are able to obtain loans with shorter maturities. Further analysis indicates that when CEOs have longer contract horizons, fewer lenders are willing to form the lending group in a loan facility, which supports the monitoring incentive for syndication. Finally, we find that the positive association between CEO initial contract horizon and loan contracting is most likely to be driven by the deterioration of a firm's debt repayment ability. We conclude that bank lenders have higher risk perception for CEOs with longer initial contract horizons.

Capital Reallocation and Firm-Level Productivity Under Political Uncertainty

Melanie Cao (*York University, Canada*)

Abstract
Does policy uncertainty affect productivity? Policy uncertainty creates delays as firms await new information about prices, costs, and other market conditions before committing resources. Such delays can have real consequences on firms' productivity and corporate decisions. First, we find that economic policy uncertainty has a negative impact on firm-level productivity. Second, policy uncertainty is positively related to cash holdings, but this effect is mostly driven by highly productive firms and by firms with higher levels of irreversible investments since these firms face higher opportunity costs in future states. Third, debt magnifies the adverse effects of policy uncertainty on productivity, but access to external financing during periods of significant policy uncertainty shocks has a positive impact on firm- level productivity. The three findings are robust to various specifications and provide an affirmative answer to the opening question.

Classified boards and corporate risk-taking

Ginka Borisova (*Iowa State University, United States*), **Mohammad Ali Nari Abyaneh** (*Iowa State University, United States*)

Abstract
We use a large sample of firms over the period 1994-2020 to analyze characteristics associated with the presence of a classified board. Larger firms, younger firms, and those in strategic industries are more likely to have a classified board. Given this board structure, we investigate corporate risk-taking and find that, both across and within firms, classified boards are associated with less risk-taking. This result is consistent with classified boards protecting directors from expedited replacement by shareholders or acquirers and thus disincentivizing risky (and potentially valuable) corporate actions. The results are robust to an instrumental variable approach and controlling for the board structure decision, executive incentives, and other corporate governance characteristics. We find debt usage, executive compensation design, and board characteristics to be probable channels of influence.

A2.1: Risk Management

Financial distress prediction of credit unions in Taiwan

Chienmin Kang (*National Chi-Nan University, Taiwan*)

Abstract
This paper describes the characteristics of credit unions (cooperative financial institutions) in financial markets in Taiwan. The financial distress prediction models have the ability to predict the financial distress of Taiwan's credit unions with early warning signs of bankruptcy. The early warning signs include profitability, asset-scale, age, capitalization, income to assets rate, operating expenses to total assets rate, salaries to total income rate, share growth, money supply growth rate, annual average rate of GDP and the spreads from deposits and loans of local banks in Taiwan. We confirm the accuracy and contribution of the hazard model, which could predict the distresses occur in time. Then we also apply this model to forecast the financial distress of credit unions on organization level from the evidence of surveys. Our findings are useful for central bank governors in assessing policy implications and in policy formulating that will ensure the stability in a credit union environment.

Disentangling the genuine effect of CRAs' rating announcements from investigator bias on stock markets: a meta-analysis

Jean-Noël Ory (*University of Lorraine, CEREFIGE, France*), Christine Louargant (*University of Lorraine, CEREFIGE, France*), Patrice Laroche (*University of Lorraine, CEREFIGE, France*), Jérôme Hubler (*University of Lorraine, CEREFIGE, France*)

Abstract
This paper aims to investigate the field of Credit Rating Agencies announcements on stock markets with new ambitions and new methodological tools. Although many event-studies have already been dedicated to this topic, there is a large heterogeneity, first regarding the presence of abnormal returns but also regarding their degree of significance and their reliability. The purpose of this paper is to implement a meta-model to investigate what influences the significance of the market reaction to CRAs' announcement. Disentangling the investigator's bias from the “genuine effect” of the CRAs' announcements requires better identifying the variables that influence the level of significance of the abnormal returns reported in academic literature. We implement a two-stage procedure, relying on logistic regressions based on a sample of 78 articles published in academic journals, covering a publishing period from 1978 to 2021 and a wide range of countries. Firstly, we aim to explain the probability of having significant CAARs by a binary logistic regression. Secondly, through accurate ordered logit models, we aim to know what explains the degree of significance of the CAARs. Indeed, we assume that the reliability of existence of abnormal returns is not identical and depends on the p-value associated with the reported CAARs in literature. We show that the significance of the abnormal returns and their degree of significance is partly explained by the informational content of CRAs announcement and partly by methodological choices made by the authors. Our analysis contributes to disentangle the genuine effect of CRAs' rating announcements from investigator bias.

Predicting forward default probabilities of firms: A discrete-time forward hazard model with firm-specific frailty

Ruey-Ching Hwang (*National Dong Hwa University, Taiwan*), Yi-Chi Chen (*National Cheng Kung University, Taiwan*)

Abstract
There has been a relatively small amount of literature focusing on predicting firm's forward default risk. It may be caused by the two features of panel data collected for that target. First, those panel data are observed at discrete-time points with a large unit of time such as month, quarter, or year. Second, there is a positive correlation structure between repeated survival status outcomes from the same firm. Thus, applying the continuous-time treatment or independence assumption to those panel data may be inappropriate for that target. To avoid the potential drawback, we propose an extension of the discrete-time forward hazard model (DFHM). In particular we impose a positive correlation structure on DFHM between repeated survival status outcomes from the same firm by assigning a frailty variable to each firm. We use a real panel dataset to illustrate the proposed methodology. Using an expanding rolling window approach, our empirical results confirm that the extended model provides better and more robust out-of-time performance than its alternative without frailty because the former yields more accurate predictions of forward default probabilities for a given set of firms.

A2.2: Corporate Finance VI

Peer effects of CSR performance on corporate finance performance: Evidence from China

Xiangjing Tong (*Tianjin University, China*)

Abstract
This study investigates the relationship between the peer CSR performance and focal firm's financial performance. Using a sample of Chinese listed corporates, we found a time-lagged negative effect of the peer firms' CSR performance on the focal firms' profitability. Moreover, this negative effect weakens if the focal firm occupies a centralized position in the supply network. Additionally, we found this negative effect also salience for the focal firm's persistence of profitability.

Institutional Ownerships and Innovation: Sector-Specific Dynamics

Thi-Thanh Phan (*National Chengchi University, Taiwan*), Hai-Chin Yu (*Chung Yuan Christian University, Taiwan)*

Abstract
This scholarly research paper examines the relationship between institutional ownership and firm innovation performance, with a specific focus on the impact of the Paris Agreement 2015 and sector-specific dynamics. Using a comprehensive dataset and employing rigorous econometric techniques, we explore the role of institutional investors in driving innovation within firms. Our findings reveal a robust positive association between institutional ownership and innovation performance across various measures and regression models. We also observe that this relationship is less pronounced in polluting industries (brown sectors), where firms already face greater pressures to innovate in response to environmental regulations. Additionally, our analysis distinguishes between the effects of active and passive institutional investors, highlighting the positive influence of active investors in driving innovation performance. Conversely, passive investors demonstrate a negative impact on innovation outcomes. Furthermore, our research confirms the positive influence of the Paris Agreement 2015 on firm innovation, emphasizing the importance of environmental sustainability in driving innovation efforts. This study contributes to the literature by providing empirical evidence on the institutional ownership,Äìinnovation performance relationship in the context of environmental regulations and sector-specific dynamics.

Financing Costs and Credit Rating Changes of Family-Owned Firms Under Varying Market Stress

Friederike Meyer (*University of St.Gallen, Switzerland*), Stefan Morkoetter (*University of St.Gallen, Switzerland)*

Abstract
We study the financing costs and credit rating changes of family-owned firms during varying levels of market stress. We examine the bond spreads of 5,186 bond issuances and the credit rating changes of 699 bond issuers in the S&P 1500 from 1995 to 2018. Our findings show that the impact of founding family ownership on the cost of debt depends on the level of stress in the financial market. We show that family ownership is associated with lower financing costs during times of below-average market stress and higher financing costs during years of financial crisis. We also test whether this change in the cost of debt for family-owned firms is reflected in a change in the bond issuers' corporate credit rating. We find that family-owned firms are more likely to receive a rating downgrade during years of above-

average market stress and crisis. Our results are in line with the concept of a mixed gamble, with family firms acting risk-averse in a stable environment and risk-seeking in times of distress.

A2.3: Financial Crises and Contagion

Empirical study of sukuk liquidity during COVID-19

Mariya Gubareva (*Universidade de Lisboa, Portugal*), Tatiana Sokolova (*National Research University Higher School of Economics, Russia*), Zaghum Umar (*Zayed University, United Arab*), Xuan Vinh Vo (*University of Economics, Ho Chi Minh City, Vietnam*)

Abstract

This paper presents the empirical liquidity study of Islamic fixed-income securities during 2020-2021. Using bid-ask and Z-spread metrics we demonstrate that the apogee of both, liquidity and credit stresses in international sukuk market is reached in early April 2020. Contrasting results for conventional bonds, we show that sukuk credit spreads recover to pre-Covid levels faster than their bid-ask spreads. However, we find that the share of liquidity component in the yield spread of sukuks always remains below 1%, revealing that Covid-19 does not worsen in relative terms the economic attractiveness of this financing channel for Shariah-concerned entities and investors.

Policy Impacts on Bank and FinTech Stocks During the Global Pandemic

Jakhongir Jak Kakhkharov (*Australian Catholic University, Australia*), Robert Bianchi (*Griffith University, Australia*)

Abstract

The COVID-19 global pandemic was an unprecedented health and financial crisis which required an urgent response from governments and central banks around the world. The U.S. government and the Federal Reserve enacted a number of rapid, strong, and non-conventional interventions within a short period of time to combat this rapidly changing environment. This paper employs two approaches to examine the impact of fiscal and Federal Reserve System interventions, along with the stringency and containment/health responses, on bank and FinTech index returns. First, the event study framework finds the reaction of FinTech and bank stock returns was conditional on the size and timing of policy actions during the crisis. The concurrent responses between the two authorities during the pandemic was vital and positively influenced market conditions. Our results show that the effect of the policy actions on FinTechs and banks was disparate, and even contrasting in some cases. Second, the dynamic time-series framework finds that increases in the size of the Federal Reserve System balance sheet during the COVID-19 pandemic caused a positive impact on FinTech returns, while the response of bank returns was statistically insignificant. We also explore the channel driving this market response and show that FinTech subsectors Exchanges/Automatic Trading, Financial Data, Networks, Processors/Business Information were reacted positively to the Fed QE program.

Extreme risk contagion in cross-provincial stock market: Evidence from China

Yishuai Ren (*Hunan University, China*), Jiang Yong (*Nanjing Audit University, China*), Ding Xiao (*Nanjing Audit University, China*)

Abstract

This study uses a connectivity method based on a quantile VAR model to investigate the dynamic tail spillover effects of Chinese stock market risk across provinces. The results show that: (1) The volatility spillover effects during extreme market situations (downward and upward volatility states) are greater than during regular market conditions. In addition, one may see that the volatility spillover effects are more pronounced when the market is in a state of higher volatility than when it is in a state of lower volatility. (2) During the period of Extreme risk events (i.e., the global financial crisis, China's inter-bank liquidity crisis, China's stock market crash, and the periods of the COVID-19 epidemic), the stock volatility spillover effects increased significantly relative to the general market conditions period. (3) Eastern provinces with higher GDP rankings and larger stock market values are primarily net transmitters of spillovers and exert a greater influence on other provinces. (4) Net risk spillover between provincial stock markets exhibits a significant spatial agglomeration impact at quantiles 0.05 and 0.5, but not at quantile 0.95.

Smart grid investments as valuable real options

Greg Tindall (*Palm Beach Atlantic University, United States*), Konstantinos Vergos (*University of Portsmouth, United Kingdom*), Hafiz Hoque (*Swansea University, United Kingdom*)

Abstract

In this study we examine the early investments to smart grid technology as real growth options. Real growth options arise from the interplay of enterprises investments and capacities, and its environmental opportunities, are embedded in investment opportunities (Myers, 1977) and can be expressed as managerial flexibility (Lukas and Welling, 2014) to increase or decrease production. According to Bowman and Hurry (1993), real options come into existence when existing resources and capabilities allow preferential access to future opportunities. Growth option development involves making a small investment rather than a large, risky investment and assume that the motivation to secure preferential access and skill development enhances the value of the option, by increasing likelihood to invest (Bowman & Hurry, 1987) or based on the synergistic benefits (Gupta and Gerchak,2002). When the opportunity materializes, and the organization is ready to exploit it, the option will be struck when managers make a larger investment. Our study contributes to literature by examining if these early investments, examined as real options, are valuable. Our study provides evidence that environmental investments, such as investing in smart grid technology are not just beneficial for the environment, but are also valuable investments. The latter, is a significant finding because it extends past literature findings that early environmental investments simply minimise environmental, reputational, litigation and regulatory risks (Nikolaou et al., 2014; Nikolaou et al., 2015, Demertzidis et al., 2015, Chatzitheodorou et al., 2019) to providing solid evidence these environmental investments are valuable investments in a financial sense.

Assessing the Hedge Potential of Brent Crude Oil against the Currency of Oil-Exporting and Oil-Importing Countries: Application of C-Vine Model

Mouna Zorguati (*IHESO, Tunisia*), Boubaker Heni, (*IPAG Business School, France, & IHECSO, Tunisia*)

Abstract

This study scrutinizes the hedge capabilities of Brent Crude Oil against the currency of oil exporting countries and importing countries. The research is relies on the C-Vine model. The findings affirm a negative dependence among Brent Crude Oil and all currencies through the full sample period, and mainly during the pandemic of COVID-19 and the Russian invasion of Ukraine. Outcome of analysis support the prominence of Brent Crude Oil as a hedge and as a safe haven against the fluctuations of main currencies. Particularly, examination results highlight that increases in Brent oil prices in countries that are net oil exporters and importers are associated with the depreciation of that country's currency against the dollar. Specifically, study results mean that a rise in the oil price is related to a dollar appreciation and vice versa. Against the backdrop of this crisis, examination results reveal that there is exceptionally a positive correlation between Brent and the Russian ruble during the war between Russia and Ukraine. The Investigative conclusions support that oil is a weak hedge and a weak safe haven against the Russian ruble.

The Impact of Military Conflict Between Russia and Ukraine on the Stock Returns of the World's Largest Oil and Gas Companies

António Martins (*Universidade da Madeira, Portugal*), Pedro Correia (*Universidade da Madeira, Portugal*), Ricardo Gouveia(*Universidade da Madeira, Portugal*)

Abstract

This paper examines the short-term market reaction of the world's largest oil and gas companies to the beginning of the military conflict between Russia and Ukraine (February 24, 2022). Using an event study, we observe a positive and statistically significant stock price reaction at and around the military conflict. These results are consistent with asset pricing perspective. In the case of the listed Russian oil and gas companies and the oil and gas companies that were ‚Äòforced' to divest in Russia due to corporate activism, we observe a negative and statistically significant impact of the military conflict in their stock market returns. These reactions are reinforced or mitigated by company-specific characteristics such as size, profitability, and institutional ownership. Finally, we find that oil and gas exploration and production companies show an abnormal return higher than the other companies belonging to the other two subsectors of the oil and gas industry.

Inflation Targeting and Monetary Policy Response in India

Abhay Pratap Raghuvanshi (*Indian Institute of Technology Kanpur, India*)

Abstract

The study examines changes in the channels contributing to monetary policy transmission pre- and post-inflation targeting in India using structural-VAR and the Bayesian-VAR models. Credit and interest rate are the two most prominent monetary policy transmission channels of India. The pre- and post-analysis indicates that India's adoption of flexible inflation targeting regime in 2016 has successfully improved the contribution of both, the credit and interest rate channel impacting inflation, whereas the contribution of the monetary transmission channels impact on output appears to have declined during the post inflation targeting regime. Limiting the monetary policy's role to price stabilization has not improved economic growth and employment.

The Role of Repayment in a Credit Economy

Zifan Wang (*Beijing Normal University, China*), Zijian Feng (*Beijing Normal University, China*), Hua Zhong (*Beijing Normal University, China*), Yougui Wang (*Beijing Normal University, China*)

Abstract

Bank lending can increase the amount of outstanding loans and impose a direct impact on aggregate income; in parallel, repayments can reduce the amount of outstanding loans and also have significant macroeconomic effects. However, economists have paid much attention to the impacts of bank lending while overlooking the role of repayments. To investigate the macroeconomic effects of repayments of loans, this paper first develops a macroeconomic model that is composed of three sectors: banks, firms, and households. Based on the principle of stock-flow consistency, we conduct a theoretical analysis about the banks' credit creation process and income determination process. The results indicate that banks create credit through lending, which positively affects GDP. On the other hand, repayments eliminate credit, imposing a negative impact on GDP. Subsequently, this paper constructs a multi-agent model that embodies the credit creation and income determination processes. We conduct computer simulations on this model. After the economic system gets stable, a shock in repayments is introduced to display the response of total loans and GDP. It is found that repayments indeed have a negative impact on GDP. Furthermore, we propose a method to calculate the total volume of repayments of the banking system. In order to verify the negative impact of repayments on GDP, we utilize the time series of repayments, bank lending, outstanding loans, and GDP from the United States and Germany to conduct an empirical test. The test is accomplished upon an SVAR model, in which the coefficient matrix is derived from theoretical analyses and simulation results and takes the form of Cholesky decomposition. Based on the adverse effects of repayments on aggregate income and their transmission channels, policy recommendations are made to address economic recessions caused by excessive debt and mitigate the accelerating effects of the negative impact, which call for assisting borrowers in rolling over their debt and timely intervention in cases of significant prepayments.

The role of digital technology and sustainable finance in bank lending. Current trends in Macro-financial linkages

Małgorzata Pawłowska (*SGH Warsaw School of Economics, Poland*)

Abstract

The aim of this paper is to investigate the impact of digital technology and sustainable finance on the relations between the financial sector and the real economy in EU. The IT revolution brought new factors that influenced the traditional banking market. Banks were forced to compete not only with other players from the banking sector but also with unregulated FinTech companies. Based on into two models using simple panel data regression and the interacted panel vector autoregression model this paper confirms the impact of FinTech on credit grow. Finally, based on the quantitative analysis this paper confirms that modern technology has had an impact on bank lending especially our findings confirm the leading role of loans for households in the use of new digital technologies. Finally, this paper confirms the increasing role of digital technology and sustainable finance in bank lending.

Can uncertainty predict high inflation?

Georgios Kouretas (*Athens University of Economics and Business, Greece & IPAG Business School, France*), Maria-Eleni Agoraki (*University of the Peloponnese, Greece*), Nektarios Aslanidis (*Universitat Rovira i Virgili, Spain*)

Abstract

We adopt binary choice models to examine the predictive power of the World Uncertainty Index (Ahir, Bloom and Furceri, 2022) on the probability of a high-inflation episode. The analysis is carried out for group of standard inflation-targeting countries (developed economies) as well as for emerging economies. First, we show evidence that increased world uncertainty implies a lower probability of being in a high-inflation state. Second, world uncertainty can often predict high-inflation episodes that occur at long horizons of 12 months ahead. Third, the estimated probabilities generally track reasonably well future realizations of high-inflation episodes, expect for India. Finally, the diagnostics for emerging economies are not as satisfactory as for the developed countries suffering from non-normality from ARCH effects. Overall, we conclude that the World Uncertainty Index can be a useful indicator for future high-inflation episodes.

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Duc Nha Bui	ONLINE	Ton Duc Thang University	
Melanie Cao	ONLINE	York University	Canada
Nilanjana Chakraborty	ONLINE	Independent Researcher	India
Ben Charoenwong	ONLINE	National University of Singapore	Singapore
ZHENGYIFAN Chen	ONLINE	University of Manitoba	Canada
Md Shahedur Rahaman Chowdhury	ONLINE	Arkansas Tech University	United States
Rebel Cole	ONLINE	Florida Atlantic University	United States
Shaen Corbet	ONLINE	Dublin City University	Ireland
Thuy Dao	ONLINE	IPAG	France
Hung Do	ONLINE	Massey University	New Zealand
Mario Eboli	ONLINE	Università 'G. d'Annunzio'	Italy
David Feldman	ONLINE	UNSW Sydney	Australia
Anil Gautam	ONLINE	Macquarie University	Australia
Ana Isabel González-Fernández	ONLINE	University of Málaga	Spain
John Goodell	ONLINE	University of Akron	United States
Mariya Gubareva	ONLINE	ISEG – Lisbon School of Economics & Management, Universidade de Lisboa	Portugal
Md Ismail Haidar	ONLINE	University of Texas Rio Grande Valley	United States
Jyothsna Harithsa	ONLINE	Rensselaer Polytechnic Institute	United States
Guanming He	ONLINE	Durham University	United Kingdom
Wenbin Hu	ONLINE	The University of Queensland	Australia
Xiangqian Sharon Huang	ONLINE	Chinese University of Hong Kong, Shenzhen	China
Nhan Huynh	ONLINE	Macquarie University	Australia
Khalil Jebran	ONLINE	Dongbei University of Finance and Economics	China
Nikolaos Kalatzopoulos	ONLINE	International Hellenic University	Greece
Chienmin Kang	ONLINE	National Chi-Nan University	Taiwan
Serkan Karadas	ONLINE	University of Illinois Springfield	United States
Sai Ke	ONLINE	University of Mississippi	United States
Sascha Kolaric	ONLINE	University of Edinburgh Business School	United Kingdom
Georgios Kouretas	ONLINE	Athens University of Economics and Business	Greece
Van Son Lai	ONLINE	Laval University	Canada
Fritz Lattermann	ONLINE	Technical University of Darmstadt	Germany

Peter Lerner	ONLINE	SUNY-Brockport	United States
Diyan Lestari	ONLINE	University of Wollongong	Australia
Yutong Li	ONLINE	Paris-saclay University & Laboratory RITM	France
António Martins	ONLINE	Universidade da Madeira	Portugal
Cesario Mateus	ONLINE	Aalborg University Business School	Denmark
Taylan Mavruk	ONLINE	University of Gothenburg	Sweden
Wenting Meng	ONLINE	Shanghai International Studies University	China
Sanket Mohapatra	ONLINE	Indian Institute of Management Ahmedabad	India
Peter Morgan	ONLINE	Asian Development Bank Institute	Japan
Alexander Muravyev	ONLINE	The HSE University	Russia
Mohammad Ali Nari Abyaneh	ONLINE	Iowa State University	United States
Moon Deok Park	ONLINE	Korea Advanced Institute of Science and Technology	South Korea
Ajay Patel	ONLINE	Wake Forest University	United States
Małgorzata Pawłowska	ONLINE	SGH Warsaw School Of Economics	Poland
Henry Penikas	ONLINE	Bank of Russia	Russia
Linh Pham	ONLINE	Lake Forest College	United States
Ken Qiu	ONLINE	Millsaps College	United States
Daniel Rabetti	ONLINE	National University of Singapore	Singapore
Abhay Pratap Raghuvanshi	ONLINE	Indian Institute of Technology Kanpur	India
Yishuai Ren	ONLINE	Hunan University	China
Jamel Saadaoui	ONLINE	University of Strasbourg	France
Evangelos Salachas	ONLINE	Athens University of Economics And Business	Greece
Nonna Sorokina	ONLINE	The Pennsylvania State University	United States
Fumiko Takeda	ONLINE	Keio University	Japan
Greg Tindall	ONLINE	Palm Beach Atlantic University	United States
Xin Tong	ONLINE	University of Manitoba	Canada
Xiangjing Tong	ONLINE	Tianjin University	China
Jan Pieter Veerhoek	ONLINE	University of Antwerp + Maastricht University	Netherlands
Alessio Venturini	ONLINE	ICMA Centre, Henley Business School	United Kingdom
Konstantinos Vergos	ONLINE	University of Portsmouth	United Kingdom
Ariel Viale	ONLINE	Palm Beach Atlantic University	United States
Wenzhao Wang	ONLINE	Edinburgh Napier University	United Kingdom
Zifan Wang	ONLINE	Beijing Normal University	China
Haoran Wu	ONLINE	Kean University	United States
Lan Xiang	ONLINE	Hunan University	China
Yiyuan Xu	ONLINE	University of Birmingham	United Kingdom
Stephen Yang	ONLINE	Pace Academy	United States
Ling Yu	ONLINE	Central University of Finance and Economics	China
Qilong Yu	ONLINE	Kean University	United States
Shuai Yue	ONLINE	Massey University	New Zealand
Hua Zhong	ONLINE	Beijing Normal University	China
Jiahe Zhou	ONLINE	Kean University	United States
Ydriss Ziane	ONLINE	IAE Paris - University of Paris 1 Pantheon-Sorbonne	France
Mona Zorguati	ONLINE	IPAG	France

Organizers

The **Association of Vietnamese Scientists and Experts (AVSE Global)** was founded in May 2011 with the main purpose of connecting intellectual sources in a systematic way to identify ideas, strategies, and implementation in all fields of sciences and techniques in foreign countries and, at the same time, to make contributions to the development of Vietnam.

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.

The **International Society for the Advancement of Financial Economics (ISAFE)** is a professional network that is primarily dedicated to the research in various fields of finance. With the aim of fostering information dissemination among researchers, ISAFE promotes the development and the enhancement of theoretical and empirical research in financial economics by providing support to multiple research projects; recognizing outstanding research contributions; and creating a platform for researchers, practitioners, and policymakers to share and exchange knowledge and research ideas through the organization of regular conferences, symposia and seminars.

Collaborating Organizers

Léonard de Vinci Business School (EMLV) offers several degrees with specialisations in accounting, digital business, marketing, finance, and human resources. The EMLV programmes have been designed to help students reach their highest potential as future leaders. EMLV provides state of the art programmes in business with an emphasis on diversity and entrepreneurship. Students are exposed to real life business scenarios which equip them with core professional skills. In addition, the numerous study-abroad opportunities provide a strong international aspect. The range of internships opens up many career options for the future. Faculty and staff consist of both international research professors and business professionals.

Massey University is a leading New Zealand university, world-renowned for unique practical qualifications, ground-breaking research, and online courses. Massey provides a creative and connected learning environment. For business majors, Massey Business School is New Zealand's largest business school, rated first in the country by Shanghai Rankings, with internationally accredited qualifications, strong industry connections, and vibrant research. Regarding Finance subject, Massey is ranked in the top 200 globally and the second in the country by the QS Universities Rankings.

Guideline For Participants

Session Participation Instruction

Conference dates: 08:00 – 16:30 (Vietnam time, GMT+7), Thursday, October 26, 2023
08:00 – 22:00 (Vietnam time, GMT+7), Friday, October 27, 2023
08:00 – 13:30 (Vietnam time, GMT+7), Saturday, October 28, 2023

Conference venue (In-person participants): Banking Academy of Vietnam, Building D1 & Building D3, 12 Chua Boc, Quang Trung, Dong Da, Hanoi, Vietnam

Platform (Online participants): Virtual meeting via Zoom Webinar

Please follow the links summarized at the end of the booklet or those embedded in the Program at A Glance's tables to access various sessions of VSBF2023. **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 Anh Phan (phananh@hvnh.edu.vn).

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 vsbf2023@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.

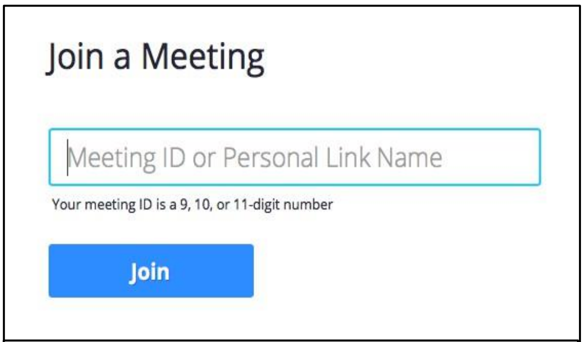
4. If you have any technical issues whilst you are presenting, please don't panic. We have a copy of your presentation as a backup, so we can load it up for you in the event of any technical difficulties.

5. Keep the presentation to time. Each presentation is generally allowed 20 minutes. Each Q&A discussion is allowed up to 10 minutes. For sessions of four papers, each presentation is allowed 15 minutes and discussion is allowed up to 7 minutes.

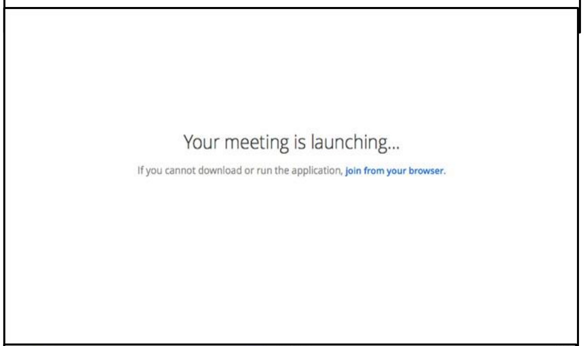
ZOOM: Instruction Manual for Program Participants

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

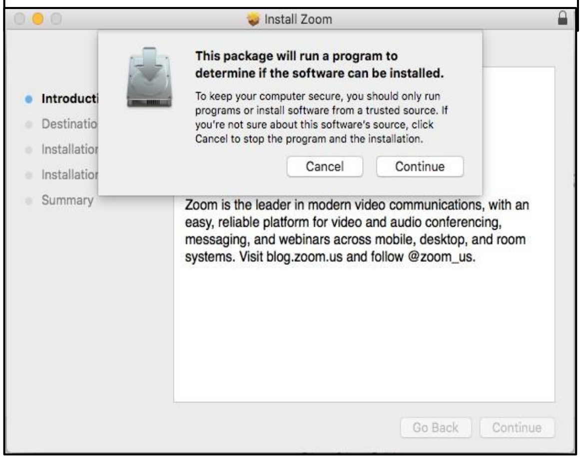
Joining a ZOOM Meeting & Download



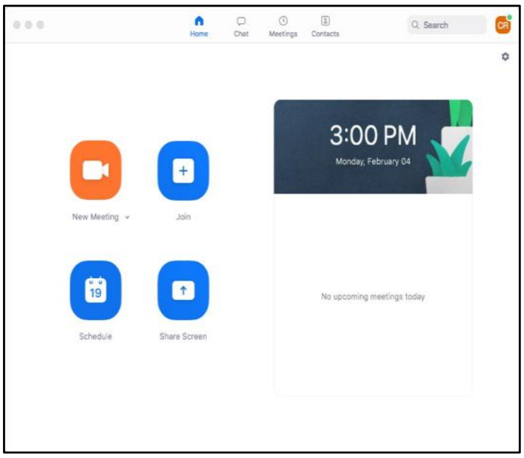
1. Go to https://zoom.us/join.
2. In the top right-hand corner, click "JOIN A MEETING".
3. The webpage will prompt you for your **Meeting ID or Personal Link Name**; type in the 9-11digit number that your instructor provided you with, and click "Join".



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

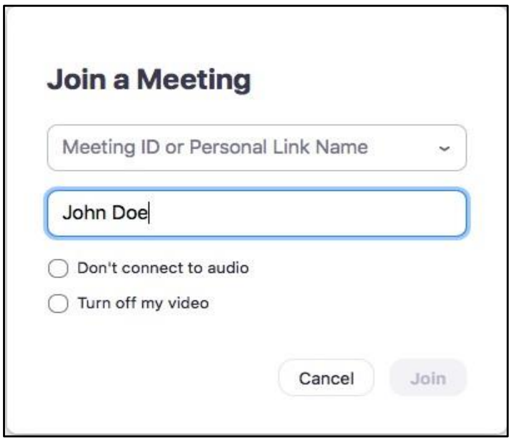


5. Depending on what browser you are using, you may have to install the program on your computer; find where this installation package went on your computer; It should be downloaded as "Zoom.pkg" or something similar.
6. Begin the download process (it will take a moment).



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).

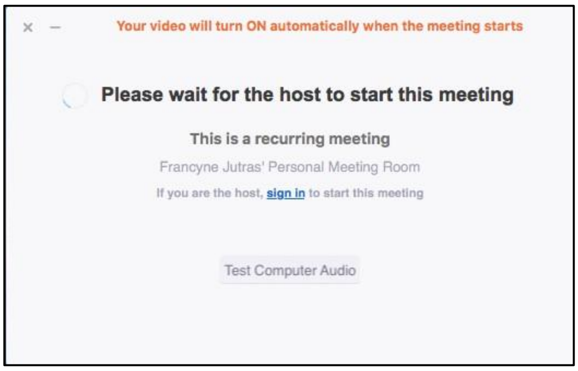
8. If you need to change the **language** of your application, find the application on your desktop, open it, then right-click the application; there should be an option to change the language in this drop-down menu.



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:

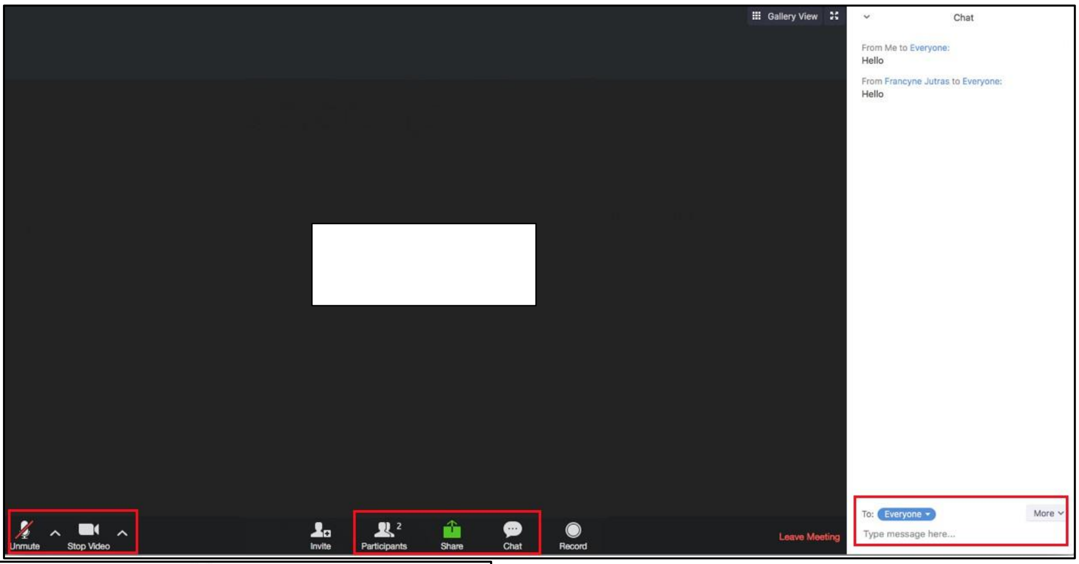


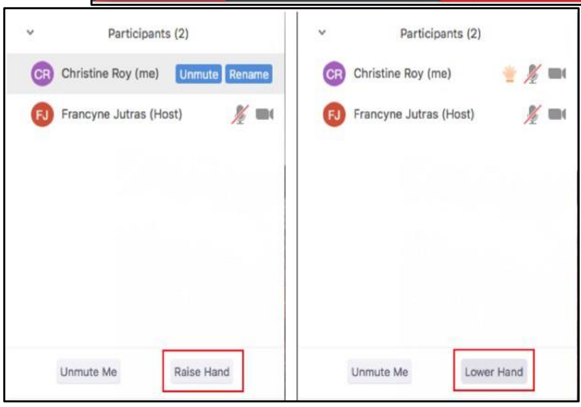
a) The first one you will see if you log in to your Host's meeting with the Meeting ID before the Host has started;

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.

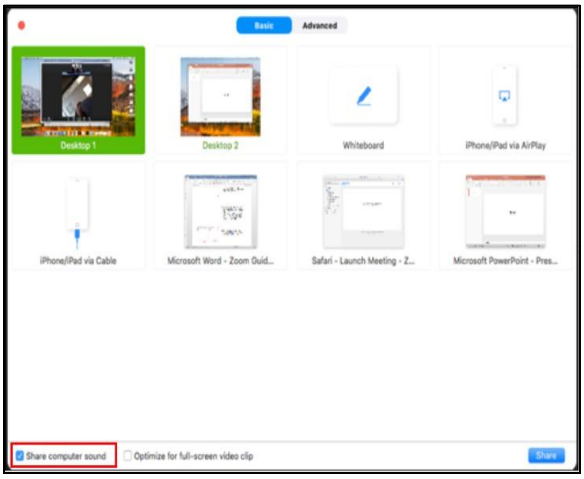
Navigating ZOOM

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.

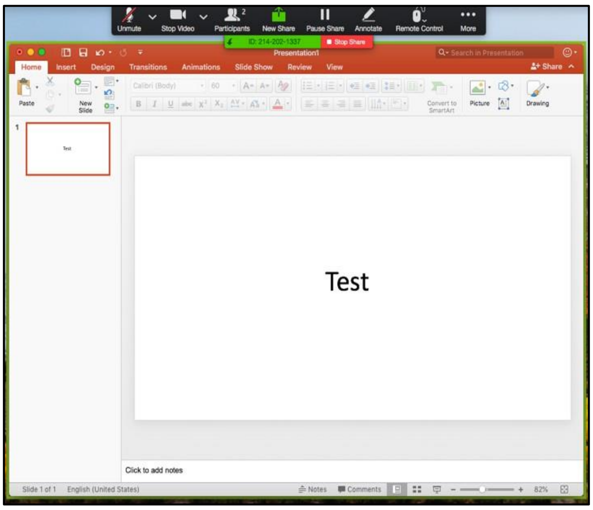




5. If you go to the participants icon, you can “raise your hand,” and the Host will see this indicated on their screen, and will answer your question.



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	https://zoom.us/j/4205143165
Zoom A1.1	https://us05web.zoom.us/j/4145271918
Zoom A1.2	https://us05web.zoom.us/j/6205382718
Zoom A1.3	https://us05web.zoom.us/j/7710219422
Zoom A1.4	https://us05web.zoom.us/j/7551301169
Zoom A1.5	https://us05web.zoom.us/j/8613448911
Zoom A1.6	https://us05web.zoom.us/j/4873702830
Zoom A2.1	https://us05web.zoom.us/j/4145271918
Zoom A2.2	https://us05web.zoom.us/j/6205382718
Zoom A2.3	https://us05web.zoom.us/j/7710219422
Zoom A2.4	https://us05web.zoom.us/j/7551301169
Zoom A2.5	https://us05web.zoom.us/j/8613448911
Zoom A2.6	https://us05web.zoom.us/j/4873702830
Zoom B1.1	https://us05web.zoom.us/j/4145271918
Zoom B1.2	https://us05web.zoom.us/j/6205382718
Zoom B1.3	https://us05web.zoom.us/j/7710219422
Zoom B1.4	https://us05web.zoom.us/j/7551301169
Zoom B1.5	https://us05web.zoom.us/j/8613448911
Zoom B1.6	https://us05web.zoom.us/j/4873702830
Zoom B2.1	https://us05web.zoom.us/j/4145271918
Zoom B2.2	https://us05web.zoom.us/j/6205382718
Zoom B2.3	https://us05web.zoom.us/j/7710219422
Zoom B2.4	https://us05web.zoom.us/j/7551301169
Zoom B2.5	https://us05web.zoom.us/j/8613448911
Zoom B2.6	https://us05web.zoom.us/j/4873702830

Banking Academy of Vietnam

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https://vsbf2023.sciencesconf.org/