The 2024 ICBFS

International Conference in Banking and Financial Studies

05-06 September 2024

University of Catania,
Corso Italia 55, Catania, Italy

Welcome notes

Welcome note – Conference Co-chairs

We are very pleased to welcome you to the 2024 edition of the **International Conference in Banking and Financial Studies** (ICBFS 2024, 05-06 September 2024), which is jointly organized by the **Department of Business and Economics of the University of Catania** (Italy), **EM Normandie Business School** (France) and the **Department of Business and Quantitative Studies of the University of Naples Parthenope** (Italy), and the **International Society for the Advancement of Financial Economics (ISAFE)**.

This conference stands as a significant event in the academic calendar, bringing together a diverse group of scholars, researchers, practitioners, and policymakers from across the globe. It serves as an invaluable platform for participants to engage in deep, insightful discussions and to share cutting-edge research ideas and findings within the ever-evolving domains of banking and finance. The breadth and depth of topics covered at ICBFS 2024 reflect the multifaceted nature of these fields, addressing both theoretical advancements and practical applications that are pertinent to current global economic challenges.

Whether you are presenting your research, participating in discussions, or networking with peers, you will find that ICBFS 2024 provides an environment conducive to learning, innovation, and professional growth. The interactions and connections made here will undoubtedly contribute to the advancement of knowledge and practice, inspiring new research initiatives and collaborative projects that will continue to influence the future of banking and finance.

We hope that the insights gained and the relationships formed during ICBFS 2024 will have a lasting impact on your work. We encourage you to take full advantage of the opportunities presented by this conference, whether through active participation in sessions, engaging with fellow attendees, or exploring the beautiful surroundings of Catania and Sicily. It is our hope that this event will not only enhance your academic and professional pursuits but also provide you with enriching experiences that extend beyond the conference itself.

This year, we are exceptionally honored to welcome Professor Steven Ongena from the University of Zurich, who also serves as the Senior Chair of the Swiss Finance Institute, Switzerland, as the keynote speaker for our conference. Professor Ongena is a distinguished scholar whose extensive research and expertise in banking and finance have profoundly influenced the field. His participation in this event is not only a testament to the significance of our conference but also a unique opportunity for all attendees to engage with one of the foremost minds in the discipline. His keynote address on "Fossil Fuel Firms and Banks" promises to be a highlight of the conference, offering fresh perspectives that will inspire future dialogue in the field.

Our special thanks also go to the editors of the supporting journals for providing excellent publishing opportunities for a selection of high-quality papers: Samuel A. Vigne, Editor-in-chief of the International Review of Financial Analysis; Sabri Boubaker, Editor-in-chief of the Journal of International Financial Management & Accounting; Jana Fidrmuc and Simona Mateut, Editos-in-chief of the Journal of Multinational Financial Management; Douglas Cumming, Editor-in-chief of the Review of Corporate Finance; Michael Pagano and Tina Yang, Editors-in-chief of The Financial Review; Brandon Cline, Melissa Woodley, and Adam Yore, Editors-in-chief of The Journal of Financial Research, and Nicola Forti, Editors-in-chief of Bancaria).

We also extend our sincere thanks to the unwavering support of the ADEIMF (Associazione dei Docenti di Economia degli Intermediari e dei Mercati Finanziari e Finanza d'Impresa). A special thank you goes to all the submitted authors, scientific committee members, attendees, and particularly the conference participants who serve as presenters, session chairs, and discussants. Additionally, we extend our deepest gratitude to the members of our organizing committee and supporters for their significant contributions to the preparations for this scientific event.

We wish you all an intellectually inspiring and rewarding conference, as well as the opportunity to connect with new colleagues and establish valuable collaborations.

On behalf of the Organizing and Scientific Committees
The Conference Co-Chairs
Sabri Boubaker, Sebastiano Mazzù, and Vincenzo Verdoliva

Welcome Message
Director of the Department of Economics and Business

Roberto Cellini
Full Professor of Economics

Director of Department of Economics & Business,
University of Catania, Italy

On behalf of the faculty members and students of the Department of Economics and Business (DEI), University of Catania, I would like to send our heartfelt greeting to all attendees of "the International Conference in Banking and Financial Studies" or "ICBFS 2024." It is a privilege for our Department to co-host this event, which brings together expertise, knowledge, and insights from all over the world.

The Department is headquartered in a well-known building named Palazzo delle Scienze (Corso Italia n°55, Catania). Our Department is engaged in scientific research, teaching programmes and promotion initiatives in the fields of Economics, Business Economics, Finance, Mathematics, Statistics and Economic Law. We have a long tradition, which dates back to the first years after World War I. During more than a century of uninterrupted work, we have educated many young generations to be successful workers in several fields.
The DEI's educational offer consists of undergraduate, graduate courses and a doctoral programme. For the academic year 2023/24, the following 7 Programs are:
Economics (undergraduate)
Business Administration (undergraduate)
Management of firms for sustainable economy (undergraduate)
Data Science (graduate, taught in English)
Business Management (graduate)
Corporate Finance (graduate)
Economics and Public Administration (graduate)

The Department offers also a Doctoral programme (PhD) in Economics, Management and Decision Making (taught in English). Moreover, we offer an exchange students' program with over 30 university partners in the following destination countries: Bulgaria, Germany, Spain, France, Greece, Lithuania, Macedonia, Poland, Romania, Slovakia, Turkey and Ukraine. The Erasmus + Programme is a mobility programme promoted by the EU that allows students to spend between three and twelve months at a European university. The students can attend courses, take exams and obtain recognition.

As the Director of the Department of Economics and Business, I see this Conference as a well-established scientific event. It has considerably grown, over the years in quantity, and –let me say– in quality and importance.
The Department of Economics and Business is proud –and will be proud–to host in Catania this scientific event. The Department fully endorses the objectives of the conference to navigate the complex landscape of contemporary financial systems.

I would like to express my sincere thanks to the International Society for the Advancement of Financial Economics (ISAFE), France, the Associazione dei docenti di economia degli intermediari e dei mercati finanziari e finanza d'impresa (ADEIMF), Italy and the conference organizers, for their dedicated work in bringing this conference to fruition.

Our task, as scientists and researchers is to study the topics in the field of our specialization and I am sure that this Conference is an important occasion for your/our community. So, have a fruitful stay in Catania, from a scientific point of you, and I wish you also to enjoy a nice stay in Catania and in Sicily.

Thank you.
Roberto Cellini, Full Professor of Economics
Director of Department of Economics and Business, University of Catania, Italy

Summary

Conference Scope

The International Conference in Banking and Financial Studies is organized annually. This is the second edition being held in Catania, Sicily, Italy. The conference aims to bring together academics, practitioners, and policymakers to share their research findings and discuss current and challenging issues in all banking and finance research areas. The event is also an ideal occasion for all scholars around the world to present their research, exchange research ideas and experiences, and develop research projects.

The scientific and organizing committee's members welcome submissions in all areas that delve into several pertinent topics, aiming to foster comprehensive discussions and shed light on the multifaceted nature of the banking and finance domain. These topics include, but are not limited to:

- Accounting, auditing, and taxation
- Asset allocation and valuation
- Banking regulation and financial services
- Behavioral and experimental finance/economics
- Big data in finance, artificial intelligence, and cyber security
- Climate finance and sustainability
- Corporate finance, IPOs, SEOs, M&A, and crowdfunding
- Corporate governance
- Country funds, sovereign funds, and hedge funds
- Debt issues
- Digital finance, cryptocurrency finance, and blockchain
- Emerging markets finance
- Energy finance and environment Issues
- Entrepreneurial finance, venture capital, and private equity
- Ethical finance, green finance, ESG and CSR
- Financial accounting and regulation
- Financial crises, contagion, integration, and global risks interconnection
- Financial engineering and derivatives
- Foreign currency issue
- Global imbalances & sustainability
- Household finance, real estate finance, and microfinance
- Market behavior efficiency
- Multinational financial management
- Portfolio management and optimization
- Risk management and compliance
- Small business finance

Keynote Speaker

Professor Steven Ongena
Professor of Banking
University of Zurich & the Swiss
Finance Institute, Switzerland

Steven Ongena is a professor of banking in the Department of Banking and Finance at the University of Zurich, a senior chair at the Swiss Finance Institute, a research professor at KU Leuven, a research professor at the Norwegian University of Science and Technology NTNU Business School, and a research fellow in financial economics of CEPR. He is also a research professor at the Deutsche Bundesbank and a regular research visitor at the European Central Bank. Before moving to Zurich, he taught at CentER-Tilburg University and BI Norwegian Business School and was at the University of Oregon (PhD), SOR-BE (OF-1), University of Alberta (MA), and KU Leuven (MBA, Hir).
He is publishing in economics, finance, law and management journals. He co-authored, with Hans Degryse and Moshe Kim, the graduate textbook Microeconometrics of Banking: Methods, Applications, and Results published by Oxford University Press.
He is currently a co-editor of Economic Inquiry, the International Journal of Central Banking, the International Review of Finance, and the Journal of Financial Services Research, and an associate editor of the Journal of Financial Stability, Economic Notes, the Asian Review of Financial Research, and the Journal of Financial Management, Markets and Institutions. In the past, he has served as a co-editor for the Review of Finance and as an associate editor for the Journal of Finance, the Journal of Financial Intermediation, the Journal of Financial Services Research, the European Economic Review, and the Journal of Banking and Finance, among other journals.
In 2017, he received an ERC Advanced Grant lending, in 2012 an NYU-Fordham-RPI Rising Star in Finance Award, and in 2009 a Wim Duisenberg Research Fellowship of the European Central Bank.

Conference Co-chairs

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

Sebastiano Mazzù
Full Professor of Financial Intermediary Economics
University of Catania, Italy

Vincenzo Verdoliva
Associate Professor of Finance
University of Naples Parthenope, Italy

Scientific Committee

***Emanuele Bajo**, University of Bologna, Italy*
***Massimiliano Barbi**, Univerity of Bologne*
***Jonathan Batten**, Monash University, Australia*
***Marco Bigelli**, University of Bologna, Italy*
***Narjess Boubakri**, American University of Sharjah, UAE*
***Ines Chaieb**, Swiss Finance Institute, Switzerland*
***Ephraim Clark**, Middlesex University London, United Kingdom*
***Douglas Cumming**, Florida Atlantic University, United States*
***David Ding**, Singapore Management University, Singapore*
***M. Shahid Ebrahim**, Durham University, United Kingdom*
***Arman Eshraghi**, Cardiff University, United Kingdom*
***Hisham Farag**, University of Birmingham, United Kingdom*
***Jean-François Gajewski**, University of Lyon 3, France*
***John W. Goodell**, University of Akron, United States*
***Stéphane Goutte**, University Paris Saclay, France, France*
***Iftekhar Hasan**, Fordham University, United States*
***Sofia Johan**, Florida Atlantic University, United States*
***Kose John**, New York University, United States*
***Georgios P. Kouretas**, Athens University of Economics and Business, Greece*
***Van Son Lai**, Laval University, Canada*
***Meziane Lasfer**, Bayes Business School.United Kingdom*
***Brian Lucey**, Trinity College Dublin, Ireland*
***Sushanta Mallick**, Queen Mary University of London, United Kingdom*
***Simona Mateut**, University of Nottingham, United Kingdom*
***Hans-Jörg von Mettenheim**, IPAG Business School, France*
***Nawazish Mirza**, Excelia Business School, France*
***Duc Khuong Nguyen**, École de Management Léonard de Vinci, France*
***Nhut (Nick) Nguyen**, Auckland University of Technology, New Zealand*
***Michael Pagano**, Villanova University, United States*
***Nikos Paltalidis**, Durham University, United Kingdom*
***Salvatore Perdichizzi**, University of Padua, Italy*
***S. Ghon Rhee**, University of Hawaii, United States*
***Walid Saffar**, Hong Kong Polytechnic University, Hong Kong*
***Denis Schweizer**, Concordia University, Canada*
***Tianxia Yang**, University of South Florida, United States*
***Laurent Weill**, EM Strasbourg Business School, University of Strasbourg, France*

Organizing Committee

***Fichera Lorenzo**, Università di Catania, Italy*
***Galletta Simona**, Università di Catania, Italy*
***Pappalardo Maria Rosaria**, Università di Catania, Italy*

Associated Journals

In consultation with the Editors-in-Chief of the International Review of Financial Analysis, Journal of International Financial Management & Accounting, Journal of Multinational Financial Management, Review of Corporate Finance, The Financial Review, Bancaria, and The Journal of Financial Research, authors will be invited submit their papers to a regular issue of the Journals.

Conference Venue

University of Catania

Department of Economics and Business (Dipartimento di Economia e Impresa)

Palazzo delle Scienze

Corso Italia 55, Catania 95129, Italy

Notes for ONSITE Participants:

Opening Ceremony & ALL keynote sessions: FLOOR 2, PALAZZO DELLE SCIENZE

ALL ONSITE sessions: FLOOR 2 (Rooms 1, 2, 5 and 6)

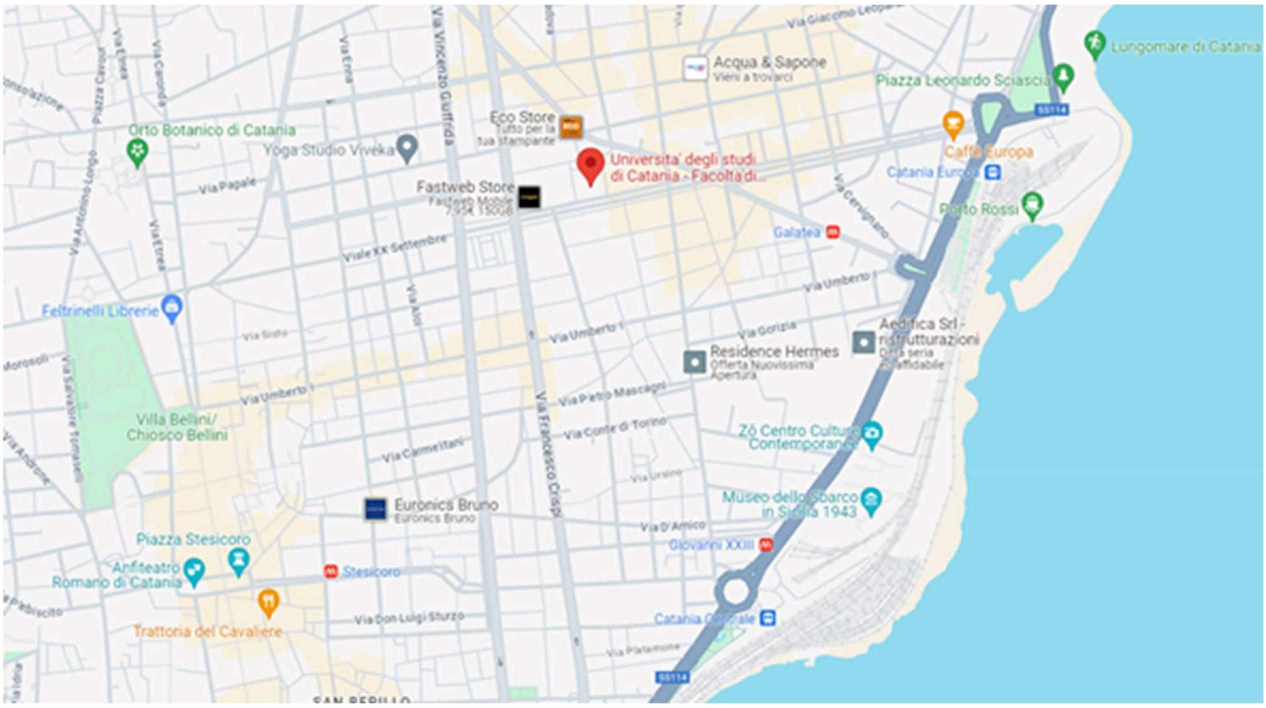
ALL Coffee Breaks: FLOOR 2, PALAZZO DELLE SCIENZE

ALL Lunches: FLOOR 2, PALAZZO DELLE SCIENZE

Onsite Rooms are noted in the Official Program of Conference

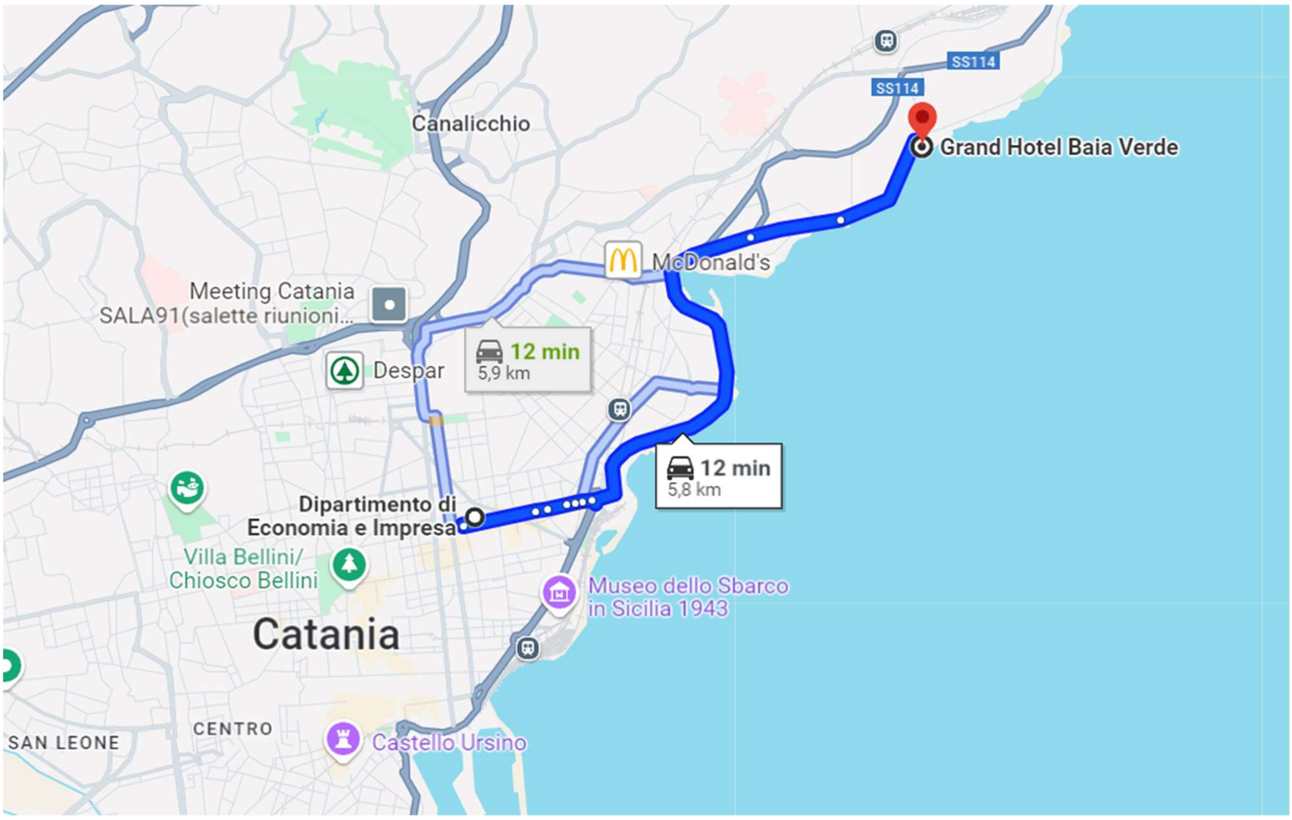
Room 8 (PALAZZO DELLE SCIENZE) is allocated mainly for **ONLINE** sessions

PALAZZO DELLE SCIENZE (All ONSITE activities)


Lungomare di Catania
Piazza Leonardo Sciascia
Acqua & Sapone
Vieni a trovarci
Eco Store
Orto Botanico di Catania
Yoga Studio Viveka
Universita' degli studi di Catania - Facoltà di...
Fastweb Store
Catania Europa
Porto Rossi
Galatea
Via Papale
Viale XX Settembre
Feltrinelli Librerie
Via Umberto I
Aedifica Srl - ristrutturazioni
Residence Hermes
Villa Bellini/ Chiosco Bellini
Via Pietro Mascagni
Via Conte di Torino
Via Vincenzo Giuffrida
Via Francesco Crispi
Museo dello Sbarco in Sicilia 1943
Euronics Bruno
Via D'Amico
Giovanni XXIII
Piazza Stesicoro
Anfiteatro Romano di Catania
Stesicoro
Trattoria del Cavaliere
Via Don Luigi Sturzo
Catania Centrale
SS114

GALA DINNER

Grand Hotel Baia Verde, Via Angelo Musco, 8, 95021 Aci Castello CT
(About 12 minutes from the conference site by car)
https://www.baiaverde.it/en/restaurant-oleandro/



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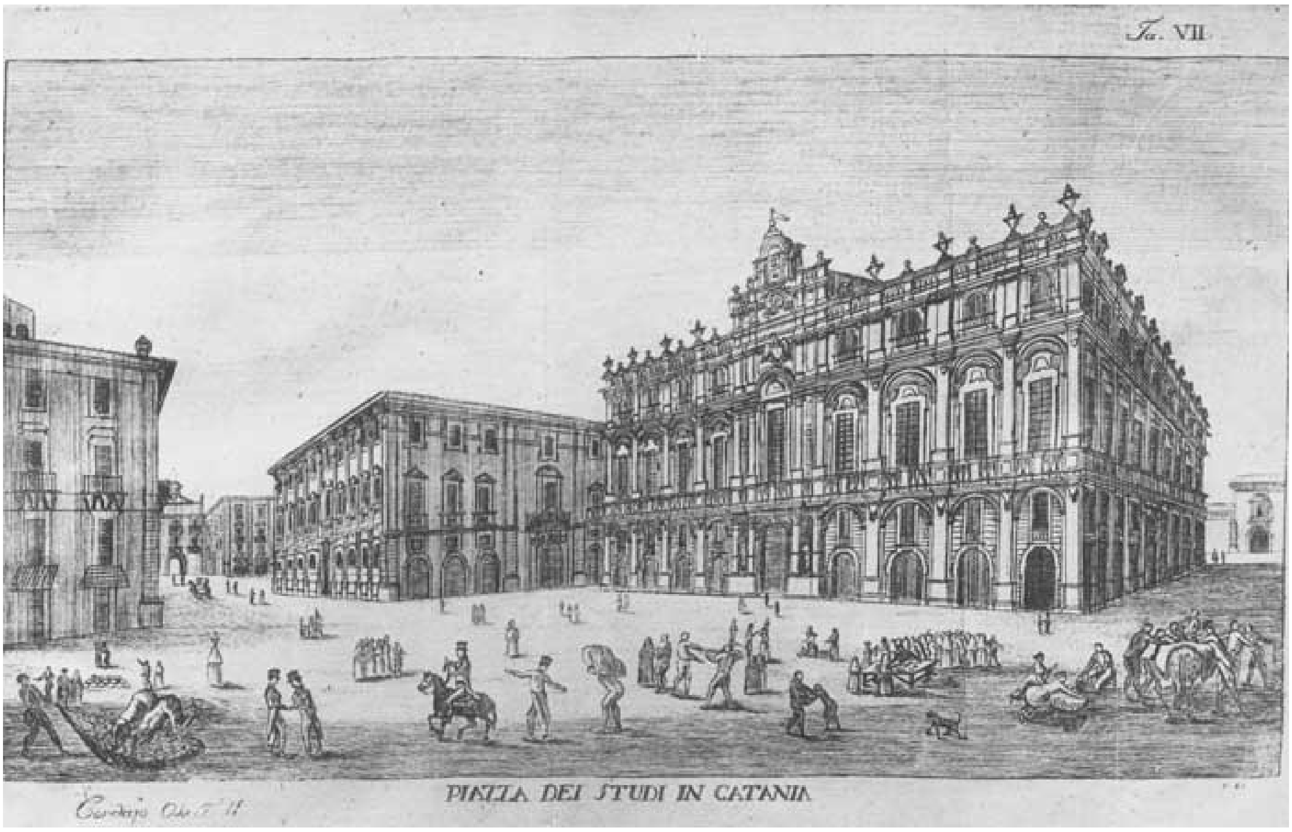
UNIVERSITY OF CATANIA

Established in 1434, the University of Catania is the oldest in Sicily. The king of Spain, who at the time was king of Sicily too, authorized the foundation of a *studium generale* with the privilege of granting bachelor's degrees and licenses to students of core disciplines such as theology, canon law, civil law, medicine, philosophy and liberal arts (literature). However, it was not until the recognition from Pope Eugene IV ten years later that the university was officially established in the city of Catania.

Education

Prior to this, the main centres for education in Sicily until then had been Palermo, Messina, and Trapani. None of them, however, held the right or the power to confer degrees which could only be conferred by the Pope.



In 1444, the first schools of Medicine, Philosophy, Canon and Civil Law, Theology, and Arts were finally established. Students began to attend classes in 1445, although it was not until two centuries later that the university laid its foundations in Piazza Università, where it still stands up until today.

Architecture

Its building was formerly occupied by St. Mark's Hospital, which was completely struck and destroyed by the 1693 earthquake, and as a result, students were left out without a place for their studies. Before it was rebuilt, some resourceful students, who were filled with endless determination and were also completely untroubled by such events, moved their classes to wooden huts near the harbor.

The new (current) building, designed by Giovan Battista Vaccarini, is a magnificent as well as exemplary monument of Baroque architecture.

Students

Not only was the University of Catania structurally powerful, but it also held the exclusive right by Royal Decree to grant degrees within the Reign of Sicily. Although the hierarchical powers of the university were until then in the hands of the Church, at the beginning of the 18th century, the Rector, like in all ancient universities, began being elected from final-year students and was the acting protector and advocate for students themselves. Plus, they would be granted other privileges, too.

Policy

Twenty-five bell chimes from the Cathedral would mark the beginning of each academic year, and throughout that time frame, a porter was supposed to check the presence of each professor. Those who did not appear to be working were reported to a notary who would take a day out of their wages. At the end of their studies, students were awarded their degrees along with a gold ring at the Cathedral where they also received a blessing from the Archbishop. Although this ceremony and many other traditions have fallen into general disuse, the academic organization is still as strong today as it was in the first half of the 15th century when it started with just ten students.

Modernity

Plenty of historical university buildings are spread out in the old city centre, in stark contrast though with the modern, hi-tech campus La Cittadella. UNICT offers an attractive portfolio of academic titles and is strongly committed to the creation of modern laboratories where the ancient Mediterranean culture meets the most modern and state-of-the-art technologies for advanced training. Students who wish to undertake an undergraduate degree program will indeed receive a high-quality education. Excellent support services are offered across the university's departments, even in the cities of Syracuse and Ragusa, which still belong to the headquarters based in Catania. They are both culturally dynamic and suitable for students and individuals who love to mingle with the university community as a whole.

Departments

The University of Catania has 17 Departments and 2 Didactic Units that, additionally to the traditional assignments of scientific research, are in charge of the organization and management of educational activities.

- Agriculture, Food, and Environment
- Biological, Geological and Environmental Sciences
- Biomedical and Biotechnological Sciences
- Chemical Sciences
- Civil Engineering and Architecture
- Clinical and Experimental Medicine
- Drug and Health Sciences
- Economics and Business
- Educational Sciences
- Electrical, Electronic and Computer Engineering

- General Surgery and Medical-Surgical Specialties
- Humanities
- Law
- Mathematics and Computer Science
- Medical, Surgical Sciences and Advanced Technologies
- Physics and Astronomy
- Political and Social Sciences

Didactic Units

- Architecture
- Foreign Languages and Literatures

Program Overview

Thursday, 05 September 2024

08:30 – 08:45	**Registration**	**FLOOR 2**

08:45 – 09:00	**Welcome and Opening Remarks**	**Room 1 FLOOR 2**
	Sebastiano Mazzù, Ph.D., *University of Catania, Italy* **Roberto Cellini, Ph.D.,** *Director of Department of Economics and Business, Catania, Italy* **Sabri Boubaker, Ph.D.,** *Professor of Finance, EM Normandie Business School, France; Swansea University, United Kingdom & President of ISAFE, Conference Co-Chair* **Vincenzo Verdoliva, Ph.D.,** *University of Naples Parthenope, Italy*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: Fossil Fuel Firms and Banks**	**Room 1 FLOOR 2**
	**Professor Steven Ongena,** University of Zurich & the Swiss Finance Institute, Switzerland	

10:00 – 10:30	**Coffee Break**	**FLOOR 2**

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

10:30 – 12:00	**A2.1 Corporate Finance 1**	ROOM 1 (**FLOOR 2**)
	Chair: Panagiotis N. Politsidis, Audencia Business School – France	

10:30 – 12:00	**A2.2 Banking Strategies 1**	ROOM 2 (**FLOOR 2**)
	Chair: Matteo Cotugno, Catholic University of the Sacred Heart, Piacenza – Italy	

12:00 – 13:30	**Lunch Break**	**FLOOR 2**

13:30 – 15:00 Afternoon Parallel Sessions (B1)

13:30 – 15:00	**B.1.1 ESG & Legality Rating**	ROOM 1 (**FLOOR 2**)
	Chair: Ioannis Tampakoudis, University of Macedonia – Greece	

13:30 – 15:00	**B.1.2 ESG and Green Finance 2**	ROOM 2 (**FLOOR 2**)
	Chair: Peter Cincinelli, University of Bergamo - Italy	

13:30 – 15:00	**B.1.3 Climate Risk, Sustainability & Financial Markets**	ROOM 5 (**FLOOR 2**)

	Chair: Yener Altunbas, Bangor University – United Kingdom	

15:00 – 15:30	**Coffee Break**	**FLOOR 2**

15:30 – 17:00 Afternoon Parallel Sessions (B2)

15:30 – 17:30	**B.2.1 Finance and Regulation** **Chair: Yildiray Yildirim (Baruch College – United states)**	ROOM 1 (**FLOOR 2**)
15:30 – 17:30	**B.2.2 Cryptocurrencies and Market Liquidity** **Chair: Maurizio Michael Habib,** European Central Bank, Germany	ROOM 2 (**FLOOR 2**)
15:30 – 17:30	**B.2.3 Banking Strategies 2** **Chair: Amine Tarazi,** Université de Limoges – France	ROOM 5 (**FLOOR 2**)
15:30 – 17:30	**O.1 ESG Impact, Risk Management, and Natural Disasters** **Chair: Maria Gaia Soana,** *University of Parma – Italy*	ONLINE ROOM 8 (**FLOOR 2**)

19:00 – 22:00 GALA DINNER & BEST PAPER AWARDS

Friday, 06 September 2024

08:30 – 09:00	**Registration**	**FLOOR 2**

09:00 – 10:30 Morning Parallel Sessions (C1)

09:00 – 10:30	**C.1.1 Asset Allocation and Valuation** **Chair: Zhenya Liu,** EM Normandie Business School – France	ROOM 1 (**FLOOR 2**)
09:00 – 10:30	**C.1.2 Sustainable Finance & Environmental Issues** **Chair: Massimo Mariani,** Università LUM Giuseppe Degennaro – Italy	ROOM 2 (**FLOOR 2**)
09:00 – 10:30	**C.1.3 ESG, Green Bonds & Risk Governance** **Chair: Francesco Fasano,** University of Calabria – Italy	ROOM 5 (**FLOOR 2**)
09:00 – 11:00	**O2 Banking, Digital Currencies, and Disasters** **Chair: Volker Seiler,** *ICN Business School – France*	ONLINE ROOM 8 (**FLOOR 2**)
10:30 – 11:00	**Coffee Break**	**FLOOR 2**

11:00 – 12:30 Morning Parallel Sessions (C2)

11:00 – 12:30	**C.2.1 Corporate Finance 2** **Chair: Hubert De La Bruslerie,** IAE Paris – Sorbonne Business School – France	ROOM 1 (**FLOOR 2**)
11:00 – 12:30	**C.2.2 Corporate Finance 3** **Chair: Umar Butt,** Zayed University – United Arab Emirates	ROOM 2 (**FLOOR 2**)

12:30 – 14:00	**Lunch Break**	**FLOOR 2**

14:00 – 15:30/16:00 Afternoon Parallel Sessions (D1)

14:00 – 15:30	**D.1.1: Corporate Finance 4**	ROOM 1 (**FLOOR 2**)
	Chair: Vito Mollica, Macquarie University – Australia	

14:00 – 15:30	**D.1.2 Board of Directors**	ROOM 2 (**FLOOR 2**)
	Chair: Alexander Nitschke, University of Münster – Germany	

14:00 – 15:30	**D.1.3 M&A, Spin-offs, and ESG Rating**	ROOM 5 (**FLOOR 2**)
	Chair: Lanfeng Kao, National University of Kaohsiung – Taiwan	

14:00 – 16:00	**D.1.4 Finance, Microfinance, and SMEs**	ROOM 6 (**FLOOR 2**)
	Chair: Alex Laimer, Free University of Bozen – Italy	

14:00 – 16:00	**O.3: Banking and Stability**	HYBRID SESSION ROOM 8
	Chair: Georgios Kouretas, *Athens University of Economics and Business – Greece, IPAG Business School – France*	

END OF CONFERENCE

Program in Details

Thursday, 05 September 2024

08:30 – 08:45	**Registration**	**FLOOR 2**

08:45 – 09:00	**Welcome and Opening Remarks**	**Room 1** **FLOOR 2**
	Sebastiano Mazzù, Ph.D., *University of Catania, Italy* **Roberto Cellini, Ph.D.,** *Director of Department of Economics and Business, Catania, Italy* **Sabri Boubaker, Ph.D.,** *Professor of Finance, EM Normandie Business School, France; Swansea University, United Kingdom & President of ISAFE, Conference Co-Chair* **Vincenzo Verdoliva, Ph.D.,** *University of Naples Parthenope, Italy*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: Fossil Fuel Firms and Banks**	**Room 1** **FLOOR 2**
	**Professor Steven Ongena,** University of Zurich & the Swiss Finance Institute, Switzerland	

10:00 – 10:30	**Coffee Break**	**FLOOR 2**

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

10:30 – 12:00	**A2.1 Corporate Finance 1**	ROOM 1 (**FLOOR 2**)
	Chair: Panagiotis N. Politsidis, Audencia Business School – France	DISCUSSANT
	Investors' Site Visits and Corporate Earnings Management **Liangbo Ma** (University of Wollongong - Australia)	**Hung Do** *(Massey University – New Zealand)*
	Natural Disasters and Credit Ratings **(Online)** Pham Minh Quan Nguyen *(University of Sussex – United Kingdom)*, **Hung Do** *(Massey University – New Zealand)*, Alexander Molchanov *(Massey University – New Zealand)*, Nhut Nguyen *(Auckland University of Technology – New Zealand)*	**Panagiotis N. Politsidis** (Audencia Business School – France)
	Gender of Firm Decision-Makers and Within-Firm Wage Disparity **Panagiotis N. Politsidis** (Audencia Business School – France)	**Liangbo Ma** (University of Wollongong - Australia)

10:30 – 12:00	**A2.2 Banking Strategies 1**	ROOM 2 (**FLOOR 2**)
	Chair: Matteo Cotugno, Catholic University of the Sacred Heart, Piacenza – Italy	DISCUSSANT
	Deposit Supply and Bank Payout Policies **Joshua Cave** (University of Leeds – United Kingdom)	**Frankie Chau** (Durham University Business School – United Kingdom)
	Credit Information Sharing and Bank-specific Stock Price Crash Risk **Frankie Chau** (Durham University Business School – United Kingdom), Rataporn Deesomsak (Durham University Business School – United Kingdom), Chanon Teeranutranont (Durham University Business School – United Kingdom)	**Matteo Cotugno** (Catholic University of the Sacred Heart, Piacenza – Italy)
	The Decline of Bank Branches in Europe: An Empirical Analysis on Bank-Firm Relationship **Matteo Cotugno** (Catholic University of the Sacred Heart, Piacenza – Italy), Paolo Fiorillo (Catholic University of the Sacred Heart, Piacenza – Italy), Ferdinando Marrazza (University of Verona – Italy), Stefano Monferrà (Catholic University of the Sacred Heart, Piacenza – Italy)	**Joshua Cave** (University of Leeds – United Kingdom)
10:30 – 12:00	**A2.3 ESG and Green Finance 1**	ROOM 5 (**FLOOR 2**)
	Chair: Brian Bolton, University of Louisiana at Lafayette – United States	DISCUSSANT
	Tax Avoidance and The Circular Economy **Kristof Struyfs** (Open Universiteit – Germany), Wouter Torsin (HEC Liège – Belgium)	**Chiara De Amicis** (Skema Business School – France)
	Environmental Penalties and Green Talk Evidence from Conference Calls **Chiara De Amicis** (Skema Business School – France), Sonia Falconieri (Bayes Business School – United Kingdom)	**Brian Bolton** (University of Louisiana at Lafayette – United States)
	ESG Ratings Are Trash **Brian Bolton** (University of Louisiana at Lafayette – United States)	**Kristof Struyfs** (Open Universiteit – Germany)
12:00 – 13:30	**Lunch Break**	**FLOOR 2**

13:30 – 15:00 Afternoon Parallel Sessions (B1)

13:30 – 15:00	**B.1.1 ESG & Legality Rating**	ROOM 1 (**FLOOR 2**)
	Chair: Ioannis Tampakoudis, University of Macedonia – Greece	DISCUSSANT
	The Stock Market Reaction to Bank Mergers and Acquisitions (M&As): Do ESG Factors and Climate Policy Uncertainty Affect the Wealth Effects? **Ioannis Tampakoudis** (University of Macedonia – Greece), Nikolaos Kiosses (University of Macedonia – Greece)	**Massimo Arnone** (University of Catania – Italy)
	Exploring The Impact of The Legality Rating on Corporate Efficiency: Empirical Evidence from Italy **Giulia Cattafi** (University of Messina – Italy), Antonio Del Pozzo (University of Messina – Italy), **Fabio Forgione** (University of Messina – Italy), Carlo Migliardo (University of Messina – Italy)	**Ioannis Tampakoudis** (University of Macedonia – Greece),

	Banking Stability in the Context of the ESG Model at the World Level **Massimo Arnone** (University of Catania – Italy), Angelo Leogrande (LUM University Giuseppe Degennaro – Italy), Alberto Costantiello (LUM University Giuseppe Degennaro – Italy), Fabio Anobile (LUM University Giuseppe Degennaro – Italy), Lucio Laureti (LUM University Giuseppe Degennaro – Italy)	**Giulia Cattafi** (University of Messina – Italy)

13:30 – 15:00	**B.1.2 ESG and Green Finance 2**	ROOM 2 (**FLOOR 2**)
	Chair: Peter Cincinelli, University of Bergamo - Italy	DISCUSSANT

	Methodological Issues in The Analysis of Emissions and Firm Value **Danilo V. Mascia** (Leeds University Business School – United Kingdom), Enrico Onali (University of Exeter Business School – United Kingdom)	**Alain Naef** (ESSEC Business School – France)
	Divestment From Fossil Fuels: Evidence from Ownership Data **Alain Naef** (ESSEC Business School – France), Benjamin Trouvé (Université de Nanterre – France)	**Peter Cincinelli** (University of Bergamo - Italy)
	Banks' Business Models and ESG Performance Carlo Bellavite Pellegrini (Catholic University of Sacred Heart, Milano – Italy), **Peter Cincinelli** (University of Bergamo - Italy), Andrea Roncella (Catholic University of Sacred Heart, Milano – Italy)	**Danilo V. Mascia** (Leeds University Business School – United Kingdom)

13:30 – 15:00	**B.1.3 Climate Risk, Sustainability & Financial Markets**	ROOM 5 (**FLOOR 2**)
	Chair: Yener Altunbas, Bangor University – United Kingdom	DISCUSSANT

	Cryptocurrency Participation and Sustainability Attitudes - Evidence from Three Nordic Countries **Ylva Baeckström** (King's Business School – United Kingdom), Akanksha Jalan (Rennes School of Business – France), Roman Matkovskyy (Rennes School of Business – France), Julia Roloff (Rennes School of Business – France)	**Dominik Maltritz** (Universität Erfurt – Germany)
	Hoodwink Financial Markets? The Impact of Creative Accounting and Fiscal Rules on European Bond Yield Spreads **Dominik Maltritz** (Universität Erfurt – Germany), Sebastian Wüste (Universität Erfurt – Germany)	**Yener Altunbas** (Bangor University – United Kingdom)
	Does the Insurance Industry Work for Climate Risk in Achieving Financial Stability? A Theoretical Model **Yener Altunbas** (Bangor University – United Kingdom), Maria Mazzuca (University of Calabria – Italy)	**Ylva Baeckström** (King's Business School – United Kingdom)

15:00 – 15:30	**Coffee Break**	**FLOOR 2**

15:30 – 17:00 Afternoon Parallel Sessions (B2)

15:30 – 17:30	**B.2.1 Finance and Regulation**	ROOM 1 (**FLOOR 2**)
	Chair: Yildiray Yildirim (Baruch College – United states)	DISCUSSANT

	The Macroeconomic Implications of Coholding **Michael Boutros** (University of Toronto – Canada), Andrej Mijakovic (European University Institute – Italy)	**Eric Vansteenberghe** (ACPR, Banque de France – France; Paris School of Economics – France)

	Public-guaranteed Loans, Bank Risk-Taking, and the Regulatory Capital Windfall **Eric Vansteenberghe** (ACPR, Banque de France – France ; Paris School of Economics – France), Théo Nicolas (ACPR (Autorité de Contrôle Prudentiel et de Résolution), Banque de France – France), Stefano Ungaro (ACPR (Autorité de Contrôle Prudentiel et de Résolution), Banque de France – France)	**Koray Alper** (European Investment Bank – Luxembourg)
	Macroprudential Policies, Firms' Financial Constraints and Investment: Evidence from EIBIS Dataset **Koray Alper** (European Investment Bank – Luxembourg), Yusuf Baskaya (University of Glasgow – United Kingdom), Shuren Shi (University of Glasgow – United Kingdom)	**Yildiray Yildirim** (Baruch College – United states)
	Exploring Climate Risk, Risk Retention, and CMBS: Understanding their Interplay **Yildiray Yildirim** (Baruch College – United states)	**Michael Boutros** (University of Toronto – Canada)

15:30 – 17:30	**B.2.2 Cryptocurrencies and Market Liquidity**	ROOM 2 (**FLOOR 2**)
	Chair: Maurizio Michael Habib, European Central Bank, Germany	DISCUSSANT
	The Effect of DLT Settlement Latency on Market Liquidity **Kaitao Lin** (World Federation of Exchanges)	**Maurizio Michael Habib** (European Central Bank, Germany)
	Moneyness Anomalies of Bitcoin Options **Bastien Buchwalter** (SKEMA Business School and Université Côte d'Azur – France), Vincent Milhau (EDHEC Business School – France), Jean-Michel Maeso (International University of Monaco – Monaco)	**Kaitao Lin** (World Federation of Exchanges)
	Global And Local Drivers of Bitcoin Trading Vis-À-Vis Fiat Currencies **Maurizio Michael Habib** (European Central Bank, Germany), Paola Di Casola (European Central Bank), David Tercero Lucas (Comillas Pontifical University – Spain)	**Bastien Buchwalter** (SKEMA Business School and Université Côte d'Azur– France)

15:30 – 17:30	**B.2.3 Banking Strategies 2**	ROOM 5 (**FLOOR 2**)
	Chair: Amine Tarazi, Université de Limoges – France	DISCUSSANT
	Interest Rate Pass-Through in A Sharply Rising Interest Rate Environment – Evidence from Germany Dominik Englisch (ZEB business school – Germany), **Jan Niklas Terhalle** (ZEB business school – Germany), Marcel Horn (ZEB business school – Germany), Michael Lister (ZEB business school – Germany), Dirk Holländer (ZEB business school – Germany)	**Gamze Ozturk Danisman** (Istanbul Bilgi University – Turkey)
	Debt Service and Default: Calibrating Macroprudential Policy Using Micro Data **Erlend Nier** (International Monetary Fund (IMF) – United States)	**Jan Niklas Terhalle** (ZEB business school – Germany)
	Small Banks Really Are Different: Unexpected Deposit Flows, Loan Production, and Off-Balance-Sheet Funding Liquidity Risk Thierno Amadou Barry (Université de Limoges – France), **Gamze Ozturk Danisman** (Istanbul Bilgi University – Turkey), Alassane Diabaté (Université de Limoges – France), **Amine Tarazi** (Université de Limoges – France), Lawrence White (Stern School of Business, New York University – United States)	**Erlend Nier** (International Monetary FunHungd (IMF) – United States)

15:30 – 17:30	**O.1 ESG Impact, Risk Management, and Natural Disasters**	ONLINE ROOM 8 (**FLOOR 2**)
	Chair: Maria Gaia Soana, *University of Parma – Italy*	DISCUSSANT

	Product Market Competition and Corporate Cash Holdings: Cross-Country Evidence **(Online)** Sanjiv Sabherwal (University of Texas at Arlington – United States), **Trang Thai** (University of Texas at Arlington – United States)	**Evita Allodi** *(University of Parma – Italy)*
	One, No One, and One Hundred Thousand Firm Risks: Which Are Affected by The Circular Economy? **(Online)** **Evita Allodi** *(University of Parma – Italy)*, Maria Gaia Soana *(University of Parma – Italy)*	**Bing Xu** *(University of Oklahoma – United States)*
	Do Director Skill Sets Affect Firm ESG Responsibilities? **(Online)** **Bing Xu** *(University of Oklahoma – United States)*	**Maria Gaia Soana** *(University of Parma – Italy)*
	The Reputational Damage of Bank Misconduct: The Role of Regulation and ESG Performance **(Online)** **Maria Gaia Soana** *(University of Parma – Italy)*, Paola Schwizer *(University of Parma – Italy)*, Alessandro Carretta *(University of Rome "Tor Vergata" – Italy)*	**Trang Thai** (University of Texas at Arlington – United States)

19:00 – 22:00 GALA DINNER & BEST PAPER AWARDS
Given by
Pr. Umberto Filotto, President, Italian Association Professors of Banking and Finance – ADEIMF

Friday, 06 September 2024

08:30 – 09:00	**Registration**	**FLOOR 2**

09:00 – 10:30 Morning Parallel Sessions (C1)

09:00 – 10:30	**C.1.1 Asset Allocation and Valuation**	ROOM 1 (**FLOOR 2**)
	Chair: Zhenya Liu, EM Normandie Business School – France	DISCUSSANT
	Constant Leverage Covering Strategy for Equity Momentum Portfolio with Transaction Costs	**Zhenya Liu** (EM Normandie Business School – France)

	Mario Negrete (Washington and Lee University – United States)	
	Applying Reinforcement Learning to Option Pricing and Hedging **Zoran Stoiljkovic** (Independent Researcher)	**Mario Negrete** (Washington and Lee University – United States)
	Maximum Likelihood Estimation and Inference on the Conditional Factor Model for Asset Pricing **Zhenya Liu** (EM Normandie Business School – France), Rongyu You (Renmin University of China – China), Xia Wang (Renmin University of China – China)	**Zoran Stoiljkovic** (Independent Researcher)
09:00 – 10:30	**C.1.2 Sustainable Finance & Environmental Issues**	ROOM 2 (**FLOOR 2)**
	Chair: Massimo Mariani, Università LUM Giuseppe Degennaro – Italy	DISCUSSANT
	The Determinants of The Misalignment of Banks' Financing with the European Green Deal **Lorenzo Fichera** (University of Catania – Italy), Simona Galletta (University of Catania – Italy), Sebastiano Mazzù (University of Catania – Italy)	**Luca Gambarelli** (University of Modena and Reggio Emilia – Italy)
	Sustainable Financing for Consumers: Unveiling Determinants and Risk Profiles Stefano Cosma (University of Modena and Reggio Emilia – Italy), **Luca Gambarelli** (University of Modena and Reggio Emilia – Italy), Timothy King (University of Vaasa – Finland), Daniela Pennetta (University of Modena and Reggio Emilia – Italy)	**Francesco D'ercole** (Università Bocconi – Italy)
	EPS Forecasts, Market Sentiment, and Environmental Commitment Domenico Frascati (Università LUM Giuseppe Degennaro – Italy), **Massimo Mariani** (Università LUM Giuseppe Degennaro – Italy), **Francesco D'ercole** (Università Bocconi – Italy), **Alessandra Caragnano** (SDA Bocconi School of Management – Italy)	**Lorenzo Fichera** (University of Catania – Italy)
09:00 – 10:30	**C.1.3 ESG, Green Bonds & Risk Governance**	ROOM 5 (**FLOOR 2)**
	Chair: Francesco Fasano, University of Calabria – Italy	DISCUSSANT
	Cash holdings, excess investments, and governance washing. Does non-financial reporting pay off? **Francesco Baldi** (University of Bologna and LUISS Guido Carli University - Italy), Giovanni Ferri (LUMSA University – Italy), Neophytos Lambertides (Cyprus Institute of Technology – Cyprus)	**Abdullah A Aljughaiman** (King Faisal University – Saudi Arabia)
	Risk Governance Mechanism and Dividend Policy: Evidence from Banks in MENA region. **Abdullah A Aljughaiman** (King Faisal University – Saudi Arabia), Kaouther Chebbi (King Faisal University – Saudi Arabia)	**Francesco Fasano** (University of Calabria – Italy)
	Green Bonds and Performance: The Moderating Role of ESG and Firm Profitability Francesco Cappa (Luiss Guido Carli University – Italy), **Francesco Fasano** (University of Calabria – Italy), Raffaele Oriani (Luiss Guido Carli University – Italy), Samuel Vigne (Luiss Guido Carli University – Italy)	**Francesco Baldi** (University of Bologna and LUISS Guido Carli University - Italy)

09:00 – 11:00	**O2 Banking, Digital Currencies, and Disasters**	ONLINE ROOM 8 (**FLOOR 2**)
	Chair: Volker Seiler, *ICN Business School – France*	DISCUSSANT

	Deposit Rate in Dual Banking Market: Attracting and Retaining Depositors **(Online)** **Diyan Lestari** *(University of Wollongong – Australia)*, Aelee Jun *(University of Wollongong – Australia)*, Shiguang Ma *(University of Wollongong – Australia)*	**Volker Seiler** *(ICN Business School – France)*
	What Determines Potential Usage of the Digital Euro? **(Online)** **Volker Seiler** *(ICN Business School – France)*	**Caterina Di Tommaso** *(University of Bari – Italy)*
	Decoding the Influence of Natural Disasters on European Bank Lending Unveiling Critical Channels and the Essential Role of Insurance Schemes **(Online)** **Caterina Di Tommaso** *(University of Bari – Italy)*, Maria Mazzuca *(University of Calabria – Italy)*, Vincenzo Pacelli *(University of Bari – Italy)*	**Daria Gottwald** *(University of Bath – United Kingdom)*
	Bitcoin And Ethereum: Commodities or Alternative Assets - An Experimental Approach **(Online)** Jorge A. Chan-Lau *(ASEAN+3 Macroeconomic Research – France)*, **Daria Gottwald** *(University of Bath – United Kingdom)*, Ariel Sun *(University of Bath – United Kingdom)*	**Diyan Lestari** *(University of Wollongong – Australia)*

10:30 – 11:00	**Coffee Break**	**FLOOR 2**

11:00 – 12:30 Morning Parallel Sessions (C2)

11:00 – 12:30	**C.2.1 Corporate Finance 2**	ROOM 1 (**FLOOR 2**)
	Chair: Hubert De La Bruslerie, IAE Paris – Sorbonne Business School – France	DISCUSSANT

	PE-Acquired Ownership and Leverage Buyout Lending **Baikun Chen** (University of Bath – United Kingdom), Winifred Huang (University of Bath – United Kingdom)	**Ahmet Deryol** (King's College London – United Kingdom)
	Why Do Firms Strategically Delay Payments of Corporate Loans? **Ahmet Deryol** (King's College London – United Kingdom)	**Hubert De La Bruslerie** (IAE Paris – Sorbonne Business School – France)
	Dual Class Shares Design in Corporate Firms: The Role of Specific Assets **Hubert De La Bruslerie** (IAE Paris – Sorbonne Business School – France)	**Baikun Chen** (University of Bath – United Kingdom)

11:00 – 12:30	**C.2.2 Corporate Finance 3**	ROOM 2 (**FLOOR 2**)
	Chair: Umar Butt, Zayed University – United Arab Emirates	DISCUSSANT

	Information Asymmetry and Financial Performance: The Moderation Role of Corporate Governance **Abdulateif Almulhim** (King Faisal University – Saudi Arabia), Abdullah A Aljughaiman (King Faisal University – Saudi Arabia)	**Dong Dang** (London South Bank University – United Kingdom)
	Long-And Short-Term Effects of The Country-Level Governance Quality Indicators on Stock Market Volatility: Evidence in the APEC region.	**Umar Butt** (Zayed University – United Arab Emirates)

	Dong Dang (London South Bank University – United Kingdom), Weiou Wu (London South Bank University – United Kingdom), Ioannis Korkos (London South Bank University – United Kingdom), Zhen Ye (University College London –United Kingdom)	
	Debt Covenant Violations and Risk-Shifting Behavior **Umar Butt** (Zayed University – United Arab Emirates), Trevor Chamberlain (McMaster University – Canada), Sudipto Sarkar (McMaster University – Canada)	**Abdulateif Almulhim** (King Faisal University – Saudi Arabia),
11:00 – 12:30	**C.2.3 Contagion and Geopolitical shocks**	ROOM 5 (**FLOOR 2**)
	Chair: Matteo Foglia (University of Bari – Italy)	DISCUSSANT
	International relations as a driver of equity investments: Evidence from shareholders' reaction to geopolitical shocks **Luca Bellardini** (University of Milano – Bicocca – Italy), Oliviero Roggi (University of Catania – Italy), Kateryna Tkach (Gran Sasso Science Institute – Italy)	**Hadi Harb** (Yaşar University – Turkey)
	Shock Resistors or Transmitters? Contagion across Industries and Countries during the COVID-19 Pandemic and the Global Financial Crisis **Hadi Harb** (Yaşar University – Turkey), Mehmet Umutlu (Edinburgh Napier University – United Kingdom)	**Matteo Foglia** (University of Bari – Italy)
	The contagion effect of natural disasters in the Sovereign CDS market: Which causes? Caterina Di Tommaso (University of Bari – Italy), **Matteo Foglia** (University of Bari – Italy), Vincenzo Pacelli (University of Bari – Italy)	**Luca Bellardini** (University of Milano – Bicocca – Italy)

12:30 – 14:00	**Lunch Break**	**FLOOR 2**

14:00 – 15:30/16:00 Afternoon Parallel Sessions (D1)

14:00 – 15:30	**D.1.1: Corporate Finance 4**	ROOM 1 (**FLOOR 2**)
	Chair: Vito Mollica, Macquarie University – Australia	DISCUSSANT
	Political Contributions and Court Shopping in Large Chapter 11 Cases **Shilin Zhang** (Ghent University – Belgium), Kris Boudt (Ghent University – Belgium)	**Adri De Ridder** (Uppsala University – Sweden)
	Stock Prices and the Investor Recognition Hypothesis **Adri De Ridder** (Uppsala University – Sweden)	**Vito Mollica** (Macquarie University – Australia)
	Inside the Beltway: Senator Trading and Legislative Gain **Vito Mollica** (Macquarie University – Australia)	**Shilin Zhang** (Ghent University – Belgium)
14:00 – 15:30	**D.1.2 Board of Directors**	ROOM 2 (**FLOOR 2**)
	Chair: Alexander Nitschke, University of Münster – Germany	DISCUSSANT
	Director Interlocks and Banker-Directors' Board Advising Role on R&D Investment: Evidence from Enforcement Actions **Abdurrahim Altunisik** (University of Southampton – United Kingdom), Taufiq Choudhry (University of Southampton – United Kingdom), Yue Zhou (University of Southampton – United Kingdom)	**Abdulrahman Alomair** (King Faisal University – Saudi Arabia)

	Empowering Saudi Women on Boards: Unveiling the Value Relevance of ESG Disclosure **Abdulrahman Alomair** (King Faisal University – Saudi Arabia), Abdulaziz Al Naim (King Faisal University – Saudi Arabia)	**Alexander Nitschke** (University of Münster – Germany)
	The Impact of Female Board Representation on the Systemic Risk of Banks: A Comparative Analysis of Inside-Out and Outside-In Systemic Risk **Alexander Nitschke** (University of Münster – Germany)	**Abdurrahim Altunisik** (University of Southampton – United Kingdom)

14:00 – 15:30	**D.1.3 M&A, Spin-offs, and ESG Rating**	ROOM 5 (**FLOOR 2**)
	Chair: Lanfeng Kao, National University of Kaohsiung – Taiwan	DISCUSSANT

	Does M&A Activity Spin the Cycle of Energy Prices? Jianuo Wang (University of Southampton; University College, London – United Kingdom), **Martin Enilov** (University of Southampton; Queen Mary University of London – United Kingdom), Renatas Kizys (University of Southampton – United Kingdom)	**Tracy Xu** (University of Denver – United States)
	The Contributions of Analysts' Forecasts for Understanding Divested Spin-Off Firm Performance **Tracy Xu** (University of Denver – United States)	**Anlin Chen** (National Sun Yat-Sen University – Taiwan)
	Mutual Fund Performance and ESG Rating: Evidence from Mutual Fund Holdings in Taiwan **Lanfeng Kao** (National University of Kaohsiung – Taiwan), **Anlin Chen** (National Sun Yat-Sen University – Taiwan)	**Martin Enilov** (University of Southampton; Queen Mary University of London – United Kingdom)

14:00 – 16:00	**D.1.4 Finance, Microfinance, and SMEs**	ROOM 6 (**FLOOR 2**)
	Chair: Alex Laimer, Free University of Bozen – Italy	DISCUSSANT

	Financial Stimulus and Microfinance Institutions in Emerging Markets **Carlos Burga** (PUC –Chile)	**Thao Nguyen** (KU Leuven – Belgium)
	Stock Returns and Macroeconomic Uncertainty **Thao Nguyen** (KU Leuven – Belgium), Kristien Smedts (Catholic University of Leuven – Belgium), Leonardo Iania (UCLouvain – Belgium)	**Maria Rosaria Pappalardo** (University of Catania – Italy)
	Robustness Analysis in an Augmented Credit Rating for Small and Medium-Sized Enterprises Silvia Angilella (University of Catania – Italy), Michael Doumpos (Technical University of Crete – Greece), Sebastiano Mazzù (University of Catania – Italy), **Maria Rosaria Pappalardo** (University of Catania – Italy), Constantin Zopounidis (Technical University of Crete – Greece)	**Alex Laimer** (Free University of Bozen – Italy)
	Policy of Mandatory Rates and their Impact on Voluntary Contributions – Empirical Evidence from an Italian Complementary Pension Fund **Alex Laimer** (Free University of Bozen – Italy)	**Carlos Burga** (PUC –Chile)

14:00 – 16:00	**O.3: Banking and Stability**	HYBRID SESSION ROOM 8
	Chair: Georgios Kouretas, *Athens University of Economics and Business – Greece, IPAG Business School – France*	DISCUSSANT
	Are You a Zombie Firm? An Early Warning System Based on Machine Learning Methods **(Online)** **Angela De Martiis** *(Institute for Financial Management, University of Bern – Switzerland)*, Thomas Heil *(Zeppelin Universität – Germany)*, Franziska Peter *(Zeppelin Universität – Germany)*	**Fan Wu** *(Cardiff University – United Kingdom)*
	Bank IPOs and Regulations: Cross-country Evidence **(Online)** **Georgios Kouretas** *(Athens University of Economics and Business – Greece, IPAG Business School – France)*, Maria –Eleni Agoraki *(University of the Peloponnese – Greece)*, Dimitrios Gounopoulos *(University of Bath – United Kingdom)*	**Angela De Martiis** *(Institute for Financial Management, University of Bern – Switzerland)*
	Connectivity and interest rates **(Online)** Pia Weiss *(University of Nottingham – United Kingdom)*, **Ye Bai** *(Xian Jiaotong Liverpool University – China)*, Victor Murinde *(SOAS, University of London - United Kingdom)*, Christopher Green *(Loughborough University – United Kingdom)*	**Georgios Kouretas** *(Athens University of Economics and Business – Greece, IPAG Business School – France)*
	Analyzing Network Dynamics: The Contagion Effects of SVB Collapse on the US Tech Industry **Fan Wu** *(Cardiff University – United Kingdom)*, Anqi Liu *(Cardiff University – United Kingdom)*, Jing Chen *(Cardiff University – United Kingdom)*, Yuhua Li *(Cardiff University – United Kingdom)*	**Ye Bai** *(Xian Jiaotong Liverpool University – China)*

END OF CONFERENCE

List of Abstracts

A2.1 Corporate Finance 1

Investors' site visits and corporate earnings management

Liangbo Ma (University of Wollongong - Australia)

Abstract

We investigate the impact of investors' site visits on companies' earnings management practice. We find that investors' site visits significantly reduce both accrual-based and real earnings management. In addition, investors' site visits significantly enhance the information content of earnings, indicating improved earnings quality. Further analyses reveal that the negative impact of investors' site visits on real earnings management is mainly through the suppression of abnormal production costs and abnormal discretionary expenses. Overall, our results suggest the important positive effect of investors' site visits on earnings quality and more broadly on corporate governance.

Natural Disasters and Credit Ratings **(Online)**

Pham Minh Quan Nguyen (University of Sussex – United Kingdom), **Do Hung** (Massey University – New Zealand), Alexander Molchanov (Massey University – New Zealand), Nhut Nguyen (Auckland University of Technology – New Zealand)

Abstract

Natural disasters are exogenous shocks to credit rating agencies (CRAs)' rating behaviors. We find that firms located at the disaster states are abnormally downgraded. CRAs' reactions to natural disasters are also consistent with market's negative reactions. By using instrumental variable (IV) analysis to extract affected firms' rating changes caused by natural disasters, we further investigate the spillover effects of natural disasters. We find that the affected firms' rating changes caused by natural disasters lead to the same (opposite) directional changes in ratings to connected (competitive) firms that are not directly impacted by natural disasters. Interestingly, we also find that CRAs' contagious reactions to natural disasters are timelier than market's contagious reactions. This is significant evidence to CRA's sensitivity to natural extreme events.

Gender of firm decision-makers and within-firm wage disparity

Panagiotis N. Politsidis (Audencia Business School – France)

Abstract

We empirically examine the hypothesis that the gender of firm decision makers affects within-firm wage disparity, defined as the ratio of decision makers' to average employees' compensation. Using unique data for both small and large firms, where decisions makers are firm owners and firm board directors respectively, we find that female decision makers lower within-firm wage disparity. We identify finance (access to credit) and the skill/specialization of decision makers as key reasons for this relation, based on the important role of R&D and innovation. We also identify a moderating role for proxies for business ethics, such as poor financial-reporting quality.

A2.2 Banking Strategies 1

Deposit Supply and Bank Payout Policies

Joshua Cave (University of Leeds – United Kingdom)

Abstract

In this paper, I examine how positive supply shocks to banks' deposits impact their dividend payout policies. Using an exogenous shock to banks' deposit supply induced by the 2003 US Shale Well boom, I show that deposit supply positively influences banks' payout policies. Banks increase their dividend payout policy, not to shift-risk, but to signal the persistence of improved funding conditions. The results are robust to various robustness tests, including instrumental variable estimation, matched sample, and a placebo test. Unlike banks' dividend payout policies, deposit supply does not affect share repurchases.

Credit Information Sharing and Bank-specific Stock Price Crash Risk

Frankie Chau (Durham University Business School - United Kingdom), Rataporn Deesomsak (Durham University Business School - United Kingdom), Chanon Teeranutranont (Durham University Business School - United Kingdom)

Abstract
Using a sample of 1,402 listed-banks in 55 countries during the period of 2005 to 2018, we find that credit information sharing through public credit registries reduces bank-specific stock price crash risk. Additionally, we find that the impact of credit information sharing on crash risk is less pronounced with more transparent information environment. Further analysis reveals that the effect of credit information sharing is more pronounced with less stringent capital requirements, low supervisory power, and low degree of private monitoring. This suggests that credit information sharing is much more helpful in reducing crash risk when the regulatory environments are weak and supervisory power is low. Overall, the results are robust to an alternative measure of crash risk, adding more control variables, a subsample analysis, and an instrumental variable approach.

The decline of bank branches in Europe: an empirical analysis on bank-firm relationship

Matteo Cotugno (Catholic University ot the Sacred Heart, Piacenza – Italy), Paolo Fiorillo (Catholic University ot the Sacred Heart, Piacenza – Italy), Ferdinando Marrazza (University of Verona - Italy), Stefano Monferrà (Catholic University ot the Sacred Heart, Piacenza – Italy)

Abstract
We investigate whether branches decline, that characterized most developed countries in the last decades, influences corporate self-rationing behavior, the credit availability for SMEs, and the pricing and the request of collaterals by banks. To test our hypotheses, we employ a logit regression model on a sample of firms participating in the Survey on the Access to Finance of Enterprises conducted by ECB and data of branches density in European Countries. Our main findings suggest that firms have difficulties in accessing credit both as results of discouragement (or self-constrain) to proceed in asking for a loan and as resulting from negative outcomes in loan applications. Our analysis on the marginal probability to have constrained access to credit are made robust by several controls (logit/probit) and the use of 2SLS instrumental variable.

A2.3 ESG and Green Finance 1

Tax avoidance and the circular economy

Kristof Struyfs (Open Universiteit – Germany), Wouter Torsin (HEC Liège – Belgium)

Abstract
This paper investigates whether and to what extent firms engaging in circular economy strategies resort to corporate tax avoidance, and how this behavior upholds during periods of economic downturn. Using a worldwide sample of listed companies between 2015-2022, we uncover that while there is on average no significant difference in tax behavior between more and less circular firms, circular economy strategies significantly reduced the need to resort to tax avoidance during the pandemic. Supplemental tests document that circular economy strategies specifically aid the most financially and regulatory exposed firms in lowering their need to resort to tax avoidance. To explain these results, we find that circularity introduces more resilience in firms' business models while also ethically spilling over from the environmental to the social dimension. These findings are important in helping us understand the broader societal consequences of circular strategies beyond their environmental impact.

Environmental Penalties and Green Talk evidence from conference calls

Chiara De Amicis (Skema Business School – France), Sonia Falconieri (Bayes Business School – united Kingdom)

Abstract
This paper investigates whether environmental penalties lead to an increase of the environmental content of conference calls. Using data on environmental violations from Violation Tracker and a measure of "green talk" of the conference call constructed using NPL techniques we find that companies tend to steer away from discussing environmental issues in conference calls immediately preceding a violation sanctions. The CEO gender does not seem to play a role. We interpret this as firms trying to divert the attention from the imminent environmental sanction.
We interestingly find that analysts do not ask questions on environmental issues either and that the market reacts negatively to more "green talk", possibly because they interpret this as the firm having a higher exposure to climate risk.

ESG Ratings Are Trash

Brian Bolton (University of Louisiana at Lafayette – United States)

Abstract
This paper is ESG ratings; this paper is not about ESG as a concept, a tool or a strategy. This paper is about ratings that obscure real information, distract managers and mislead users. This paper is about ratings that attempt to provide

a quantitative and meaningful measurement of any firm's performance within environmental, social or governance dimensions – but, in reality, do very little (at best). The purpose of this paper is to highlight the weaknesses of ESG ratings – and probably most other indexes – and to encourage users to be more direct in how they acquire and use information.

The principal problem is that we never know what we are seeing when we see an ESG score. When you see an ESG rating, you typically see a number. How was that number generated? What data went into generating that number? What are the categories? What are the components? What are the weights of the different categories and components? What information is not in that number? What is that number supposed to tell us? What does that number really tell us? And, perhaps most importantly, what are we supposed to do with that number? ESG ratings and indexes suffer a number of fatal flaws; this paper will discuss many of these – though it is certainly impossible for any paper to address them all.

This paper synthesizes the perspectives introduced in Edmans (2023a, 2023b) arguing that the components within ESG can all be critical to long-term value creation, and in Berg, Kölbel and Rigobon (2022) documenting the methodological issues inherent in creating ESG ratings. They argue for various improvements in how scholars and practitioners create ESG ratings. I argue that we get rid of them, altogether. But getting rid of ESG ratings does not mean that we get rid of Environmental, Social, Governance and other factors as drivers of economic value. This paper concludes by offering ways forward for scholars, investors, practitioners and policymakers to better manage and apply our desperation to invoke Environmental, Social and Governance dynamics into understanding how firms create value.

B.1.1 ESG & Legality Rating

The stock market reaction to bank Mergers and Acquisitions (M&As): Do ESG factors and Climate Policy Uncertainty affect the wealth effects?

Ioannis Tampakoudis (University of Macedonia - Greece), Nikolaos Kiosses (University of Macedonia - Greece)

Abstract

This study investigates the stock market reaction to Mergers and Acquisitions (M&As) in the U.S. banking sector using alternative asset pricing models. The aim is to disentangle the valuation effects of M&A announcements by separately estimating Cumulative Abnormal Returns (CARs) for acquirers, targets, and their close peers. Using a sample of M&A deals in the U.S. banking sector, we first conduct an eventstudy analysis to evaluate the market reaction using alternative asset pricing models over various event-windows. Specifically, we utilize time-series data of stock market returns for acquirers, targets, and their peers, applying different asset pricing models to measure the wealth effects following M&A announcements. The statistical significance of CARs is assessed using both parametric and non-parametric tests. In the second stage, each deal is matched with data on Environmental, Social, and Governance (ESG) scores and the level of Climate Policy Uncertainty to analyze the effect of these factors on the market reaction. The results suggest that bank M&As convey information that leads to abnormal returns for both bidders and targets. Specifically, during the three-day event window surrounding the deal announcement, acquiring banks exhibited a negative reaction, experiencing a loss of approximately -1.4%. In contrast, target firms demonstrated positive and statistically significant abnormal returns, indicating value creation for their shareholders. However, when considering the peers of acquirers and targets, there appears to be an unclear pattern in the market reaction over the entire sample period. The results from cross-sectional analyses indicate that various factors, including bankspecific factors, deal-specific factors, ESG issues, and the level of Climate Policy Uncertainty, influence the valuation effects of M&As in the banking sector.

Acknowledgment: This work is part of a project that has received funding from University Of Macedonia Research Fund under the Basic Research 2023 funding programme

Exploring the impact of the Legality Rating on corporate efficiency: empirical evidence from Italy

Giulia Cattafi (University of Messina – Italy), Antonio Del Pozzo (University of Messina – Italy), **Fabio Forgione** (University of Messina – Italy), Carlo Migliardo (University of Messina – Italy)

Abstract

This study looks at the impact of Italy's Legality Rating (LR) on corporate efficiency. The LR, established by Law No. 27 of March 24, 2012, aims to instill ethical principles in corporate behavior and strategies by providing a structured framework for evaluating and communicating companies' compliance with legal and regulatory requirements. According to the study, LR not only improves corporate image and reduces reputational risks, but it also provides tangible benefits to firm performance through the reward system, such as better terms with banks and advantages in public tenders.

The study uses stochastic frontier analysis and the difference-in-difference method to assess the LR's impact on firm efficiency, with a dataset of 12,037 firms cross-referenced from the AGCM and AIDA- Bureau Van Dijk databases and spanning the years 2013-2022. The findings indicate that LR adoption generally improves corporate efficiency,

particularly in southern Italy, where it acts as a risk mitigation mechanism against organized crime. The study emphasizes LR's role in reducing information asymmetry, increasing stakeholder trust, and ultimately contributing to a company's efficiency and competitive advantage. This comprehensive analysis emphasizes LR's potential as a significant factor in increasing corporate efficiency and aligning business practices with CSR and ethical guidelines

Banking Stability in the Context of the ESG Model at World Level

Massimo Arnone (University of Catania - Italy), Angelo Leogrande (LUM University Giuseppe Degennaro – Italy), Alberto Costantiello (LUM University Giuseppe Degennaro – Italy), Fabio Anobile (LUM University Giuseppe Degennaro – Italy), Lucio Laureti (LUM University Giuseppe Degennaro – Italy)

Abstract

This paper intends to satisfy two objectives:

- propose a theoretical reflection on the possible impacts of ESG factors on the management of banking institutions through a systematic analysis of the most recent literature;
- measure the impact of ESG factors on banking stability assessed as Bank to Capital Asset Ratio % at a global level

The paper presents a structure divided into five sections. After the introductory part, the second section contains a literature review focusing mainly on the impacts of ESG factors on the financial performance of banks. The third section contains an analysis of the trends at a global level in terms of the value of banking stability. The fourth section contains an analysis conducted through the application of the k-Means machine learning algorithm optimized with the Silhouette coefficient and the Elbow Method. The fifth section presents the policy implication. The sixth section concludes.

B.1.2 ESG and Green Finance 2

Methodological issues in the analysis of emissions and firm value

Danilo V. Mascia (Leeds University Business School – United Kingdom), Enrico Onali (University of Exeter Business School – United Kingdom)

Abstract

This paper contributes to the debate regarding potential assessment errors that may arise depending on how greenhouse gas (GHG) emissions data are handled in empirical models. We provide several novel findings to the literature on GHG emissions and firm value using Monte Carlo simulations based on empirical regularities in real GHG data. First, we show that most of the variation in facility-level emissions can be explained by facility-fixed effects, while firm-fixed effects appear less important than county-fixed effects. Thus, collapsing observations at the firm level might discard important factors underlying such variation, such as local economic conditions. Following recent debates on whether emissions should be scaled by a proxy for firm size (emission intensity), we show that this practice leads to highly leptokurtic distributions even when firm-level emissions and the scaling variable are only mildly leptokurtic. In regressions on firm value, scaling emissions when the true relation is with unscaled emissions results in highly non-Normal t-statistics and a severe drop in statistical power. When the true coefficient on unscaled emissions is small, scaling both firm value and emissions can lead to large Type II errors and even statistically significant coefficients with the wrong sign. Remedies used in the literature, such as scaling the intercept or log transformations, do not solve the problem.

Divestment From Fossil Fuels: Evidence From Ownership Data

Alain Naef (ESSEC Business School – France), Benjamin Trouvé (Université de Nanterre – France)

Abstract

There is a lot of talk about fossil divestment, but is there any action? We built a new database on investor divestment based on ownership data, focusing on actual investor ownership rather than prices. Our database includes 30 million investor positions in the 312 largest fossil fuel companies, revealing that certain religious organizations, universities, and public organizations have divested from fossil fuels. When examining all investors, we observe heterogeneous behavior between short and long-term divestment. Using a Structural Vector Autoregression (SVAR) and a Vector Error Correction model (VECM) based on behavioral assumptions, we find that commodity price returns are the major drivers of short-term divestment, while environmental and climate policy likelihood exhibits a cointegration relationship with long-term divestment. This indicates that investors react strongly to market energy price fluctuations in the short term but adjust their fossil fuel holdings in the long term based on the likelihood of climate and environmental policy implementation.

Banks' Business Models and ESG Performance

Carlo Bellavite Pellegrini (Catholic University of Sacred Heart, Milano – Italy), **Peter Cincinelli** (University of Bergamo - Italy), Andrea Roncella (Catholic University of Sacred Heart, Milano – Italy)

Abstract

In this paper, we study the relationship between banks' business models and the Environmental, Social and Governance (ESG) performance. We use a threshold regression model (Hansen, 1999) to identify an optimal threshold level in the business models of a sample of 80 European listed banks during 2006 - 2021 time period. We find a significant and positive relationship between the ESG score when the level of capital and stock of deposits are above a certain threshold, highlighting how greater attention to sustainability policies is associated with banks that rely more on deposits as a source of funding. We also find that the ESG score is sensitive to a lower values of income structure, confirming that a greater focus on ESG risks is more in line with banks characterized by traditional activities.

B.1.3 Climate Risk, Sustainability & Financial Markets

Cryptocurrency participation and sustainability attitudes - evidence from three Nordic countries

Ylva Baeckström (King's Business School – United Kingdom), Akanksha Jalan (Rennes School of Business – France), Roman Matkovskyy (Rennes School of Business – France), Julia Roloff (Rennes School of Business – France)

Abstract

Using unique survey data from Denmark, Finland and Sweden, we find that individual investor attitudes towards the ethics and sustainability of cryptocurrencies influence their intentions to participate. Our results show that people who consider cryptos more ethical and sustainable are also more likely to participate. This research is timely given the current discussion about the ethical considerations and environmental impact of cryptocurrency mining and trading.

Hoodwink Financial Markets? The impact of creative accounting and fiscal rules on European bond yield spreads

Dominik Maltritz (Universität Erfurt - Germany), Sebastian Wüste (Universität Erfurt - Germany)

Abstract

We analyze whether bond yield spreads reflect creative accounting by European governments in their fiscal accounts by applying regressions using annual panel data for 26 EU countries. As suggested in the literature, we use stock-flow-adjustments to approximate creative accounting. In addition, we consider the impact of fiscal rule indices, which indicate how severely governments are limited in their fiscal activities. In addition to a general fiscal rules indicator, we include specific indicators for different types of rules for deficit and debt. Our results indicate that bond markets detect and price creative accounting, while fiscal rules also impact spreads significantly.

Does the Insurance Industry Work for Climate Risk in Achieving Financial Stability? A Theoretical Model

Yener Altunbas (Bangor University – United Kingdom), Maria Mazzuca (University of Calabria - Italy), Xiaoxi Qu (Bangor University – United Kingdom), John Thornton (University of East Anglia – United Kingdom)

Abstract

We introduce a Dynamic Stochastic General Equilibrium (DSGE) model to analyze the role of the insurance industry as a financial institution in managing climate risks. The transmission mechanism implemented by insurance sectors is relevant in the context of climate risk. Our model integrates decisions made by the insurance industry into the framework, considering financial frictions and price stickiness to advance climate objectives. We briefly outline the predictions of model and our framework regarding the effects of insurance choices in dealing with climate risks and intertemporal decision. Our research findings suggest that decisions made by the insurance industry have implications for financial stability and sustainable economic development. Facing the climate risk shocks and the intertemporal issues, the insurance industry should implement mandatory climate risk disclosure regulations and reasonably calculate premiums to address the risks over different time period.

B.2.1 Finance and Regulation

The Macroeconomic Implications of Coholding

Michael Boutros (University of Toronto – Canada), Andrej Mijakovic (European University Institute – Italy)

Abstract

In the United States, over 25% of households are coholders who simultaneously borrow on credit cards and hold liquid assets. This generates a rich distribution of gross wealth positions that underpins the distribution of net wealth often

used to calibrate macroeconomic models. We show that, beyond their role in constructing net wealth, gross positions in liquid assets and liquid debt are important in determining how households consume, save, and repay debt in response to positive income shocks. We build a quantitative model that generates the coholding observed in the data and matches observed marginal propensities to consume, save, and repay debt. The model highlights that fiscal transfers are more effective in stimulating demand if targeted at households with low gross positions instead of low net liquid wealth, while debt relief is less effective overall in the short run but achieves large consumption gains in the long run.

Public-Guaranteed Loans, Bank Risk-Taking, and the Regulatory Capital Windfall

Eric Vansteenberghe (ACPR, Banque de France – France ; Paris School of Economics – France), Théo Nicolas (ACPR (Autorité de Contrôle Prudentiel et de Résolution), Banque de France – France), Stefano Ungaro (ACPR (Autorité de Contrôle Prudentiel et de Résolution), Banque de France – France)

Abstract

This paper introduces the "regulatory capital windfall effect", a novel concept whereby banks improve their financial position by reducing risk-weighted assets through the issuance of public guaranteed loans (PGLs), thus freeing up regulatory capital for other activities. We analyze the French PGL program from spring 2020 to spring 2022 using panel regressions with fixed effects and triple interactions. Our results show that PGLs did not incentivize riskier lending. Instead, banks with lower capitalization and higher nonperforming loan ratios prior to the crisis used PGLs to clean up their portfolios by lending to safer firms, thus avoiding threats to financial stability. Our empirical strategy isolates the effect of credit demand from credit supply, with variables fixed before the pandemic to avoid reverse causality. This study highlights the importance of guarantee design in mitigating financial instability and contributes to the literature on government guarantees and credit market interventions during crises.

Macroprudential Policies, Firms' Financial Constraints and Investment: Evidence from EIBIS Dataset

Koray Alper (European Investment Bank - Luxembourg), Yusuf Baskaya (University of Glasgow – United Kingdom), Shuren Shi (University of Glasgow – United Kingdom)

Abstract

This study investigates the influence of macroprudential policies (MaPs) on corporate investments, employing firm-bank level microdata from the European Investment Bank Investment Survey (EIBIS) for the period 2015-2021. Our exploration delves into several dimensions that have been relatively overlooked in existing literature. Utilizing the detailed aspects of the data, we initially establish that MaP tightening, particularly through supply-side MaPs, leads to a reduction in corporate investments. We then delve into the transmission mechanism of MaPs. Our analysis suggests that MaPs affect firm investments through bank lending decisions. Further, we find that both bank and firm characteristics significantly contribute to the effect of MaPs on corporate investments. Specifically, we observe that financially weaker banks are more likely to restrict credit in response to MaP tightening. Moreover, financially weaker firms appear to be more adversely affected by a reduced credit supply. Lastly, we investigate potential heterogeneities in the impact of MaPs on tangible and intangible investments, discovering that the latter remains largely unscathed by these policies.

Exploring Climate Risk, Risk Retention, and CMBS: Understanding their Interpla

Yildiray Yildirim (Baruch College – United states)

Abstract

We explore the impact of climate hazards on the Commercial Mortgage-Backed Securities (CMBS) market and examine how the Dodd-Frank Act's risk retention rule alters the behavior of CMBS issuers and loan originators. Analyzing over 40,000 loans from 556 CMBS deals issued between 2011 and 2018, we uncover moral hazard in the "originate-to-distribute" model, especially concerning less visible risks like climate hazards. Post-implementation of the risk retention rule, CMBS issuers strategically shift their loan portfolios away from high climate risk areas. However, in the absence of risk retention, loan originators rush to offload climate-affected loans before securitization, and underwriters exclude these loans from their own deals. The risk retention rule significantly reduces the default risk linked to climate hazards for affected loans and provides a pricing advantage for these deals. Our findings highlight the role of the risk retention rule in aligning interests and mitigating moral hazard in the CMBS market, with important implications for investors, policymakers, and financial stability.

B.2.2 Cryptocurrencies and Market Liquidity

The Effect of DLT Settlement Latency on Market Liquidity

Kaitao Lin (World Federation of Exchanges)

Abstract

This paper investigates the causal relationship between settlement latency introduced specially by permissionless Distributed Ledger Technology (DLT) and liquidity. Utilizing the cryptocurrency market as a unique laboratory, we identify blockchain mining power as an instrumental variable (IV) for DLT settlement latency. Our analysis reveals that settlement latency significantly lowers liquidity and increases transaction costs. In addition, through the Huang and Stoll (1997) spread decomposition, we document that such latency reduces the adverse selection costs and increases the inventory management costs faced by liquidity suppliers. Moreover, these effects are more pronounced in smaller trading venues and for the native cryptocurrency of the settlement blockchain. More broadly, this paper contributes novel evidence on the importance of settlement, and highlights the balance between decentralized, near-instantaneous settlement cycles offered by DLT and the potential adverse impacts on market quality.

Moneyness Anomalies of Bitcoin Options

Bastien Buchwalter (SKEMA Business School and Université Côte d'Azur- France), Vincent Milhau (EDHEC Business School – France), Jean-Michel Maeso (International University of Monaco – Monaco)

Abstract

This study examines the presence and characteristics of moneyness anomalies in Bitcoin options, highlighting their implications for market efficiency and trading strategies. Using data from the Deribit Exchange spanning from 2017 to 2024, the analysis reveals that approximately 6% of traded Bitcoin options exhibit moneyness anomalies. These anomalies are evenly distributed across call and put options and are not clustered by trade date or maturity. A proposed trading strategy, which involves exploiting these anomalies by buying options that are too cheap and selling those that are too expensive, shows that anomalies from the sell side result in positive payoffs in 70%-80% of cases. The findings suggest significant profit potential and underscore the need for new, tailored approaches in option pricing and risk management for the emerging cryptocurrency market.

Global and local drivers of Bitcoin trading vis-à-vis fiat currencies

Maurizio Michael Habib (European Central Bank), Paola Di Casola (European Central Bank), David Tercero Lucas (Comillas Pontifical University – Spain)

Abstract

We analyse the drivers of Bitcoin transactions against 44 fiat currencies in the largest peer-to-peer crypto exchanges. Momentum and volatility in the cryptoasset market, alongside volatility and liquidity in global financial markets do matter for Bitcoin trading. Bitcoin seems to offer also transactional benefits, since trading increases when the value of the domestic currency is unstable, especially in emerging and developing economies. In these countries, lower banking depth, digitalisation and median age of the population imply higher currency loadings on the global crypto factor.

B.2.3 Banking Strategies 2

Interest rate pass-through in a sharply rising interest rate environment – evidence from Germany

Dominik Englisch (ZEB business school – Germany), **Jan Niklas Terhalle** (ZEB business school – Germany), Marcel Horn (ZEB business school – Germany), Michael Lister (ZEB business school – Germany), Dirk Holländer (ZEB business school – Germany)

Abstract

We examine interest rate pass-through (IRPT) for several deposit and loan products in Germany over the period 2003 to 2023.

We contribute to the literature by identifying five heterogenous IRPT regimes. Furthermore, we shed light on the completeness of long-run and short-run IRPT dynamics across those regimes by estimating an autoregressive distributed lag model (ARDL). We find the completeness of IRPT dynamics in Germany to vary strongly between the interest regimes, with an exceptionally low IRPT completeness for deposit products during the latest sharply rising interest rate environment (SRIE). Our results indicate that banks have not passed rises in interest rate level on to their customers, with implications for bank profitability and costumer savings behavior.

Debt Service and Default: Calibrating Macroprudential Policy Using Micro Data

Erlend Nier (International Monetary Fund (IMF) - United States)

Abstract

We present a novel methodology to calibrate a limit on the household debt-service-to-income (DSTI) ratio that examines the relationship in the stock of existing loans between a borrowers' one year ahead probability of default

and their total debt service relative to income. In an application using a large loan-level dataset from the Romanian credit register, we establish two findings that are, to the best of our knowledge, new to the literature. We demonstrate that the relationship between DSTI and probability of default is non-linear, with probability of default responding to increases in DSTI only after a certain threshold. We also find that consumer loan defaults occur from a lower treshold level of DSTI compared to mortgages.

Small Banks Really Are Different: Unexpected Deposit Flows, Loan Production, and Off-Balance-Sheet Funding Liquidity Risk

Thierno Amadou Barry (Université de Limoges – France), **Gamze Ozturk Danisman** (Istanbul Bilgi University – Turkey), Alassane Diabaté (Université de Limoges – France), **Amine Tarazi** (Université de Limoges – France), Lawrence White (Stern School of Business, New York University – United States)

Abstract

In this paper, we use U.S. commercial banks' data to investigate whether the effect of unexpected deposit flows on loan production depends on banks' exposure to off-balance-sheet funding liquidity risk. We find that lending is sensitive to deposit shocks at small banks but not at large ones. Furthermore, for small banks, the increase in lending that is explained by unexpected deposit inflows depends on how much they are exposed to funding liquidity risk that stems from their off-balance-sheet exposures, as measured by the level of unused commitments. Small banks that are more exposed to such funding liquidity risk tend to extend fewer new loans. Our results indicate that unexpected deposit inflows from, for instance, the failure of other banks or market disruptions might not as easily be lent again to borrowers.

O.1 ESG Impact, Risk Management, and Natural Disasters

Product Market Competition and Corporate Cash Holdings: Cross-Country Evidence

Sanjiv Sabherwal (University of Texas at Arlington – United States), **Trang Thai** (University of Texas at Arlington – United States)

Abstract

This study uses a large cross-country sample to examine whether product market competition drives corporate cash holdings at global level. We construct an accounting-based proxy of competition that covers three horizontal dimensions of product pricing power. This measure helps us revisit the puzzling competition-cash relationship observed in U.S. and allows expansion of U.S. findings to an international dataset.

The study has several interesting results. First, product market competition and corporate cash holdings are positively correlated across countries and over time, which could be explained by the precautionary motive of holding cash. Second, this positive association is weakened among firms that are dependent on external financing. This weakening is more for firms that are financially constrained. And third, the positive association between competition and cash is weakened in less developed capital markets, and this weakening is greater in less developed credit markets than less developed stock markets.

One, no one and one hundred thousand firm risks: which are affected by the circular economy? **(Online)**

Evita Allodi (University of Parma – Italy), Maria Gaia Soana (University of Parma – Italy)

Abstract

The paper studies for the first time in the literature the individual and interactive effects of circular economy practices, i.e., reducing, reusing, and recycling, on downside, idiosyncratic, and default risks from a risk-management perspective. We use a sample of 1,069 listed European non-financial companies over the period 2010-2022. We find that reducing, reusing, and recycling activities, implemented together, significantly decrease downside, idiosyncratic, and default risks. However, considering the three circular economy dimensions individually, only reduction and reusing mitigate these risks, while recycling does not. Moreover, reduction, reusing, and recycling, when applied pairwise, have a substitutive effect in decreasing idiosyncratic and default risks.

Do Director Skill Sets Affect Firm ESG Responsibilities? **(Online)**

Bing Xu (University of Oklahoma - United States)

Abstract

This study investigates the relationship between the environmental, social, and governance (ESG)-related skill sets of firms' board directors and corporate ESG performance. Looking at S&P 1500 firms from 2009 to 2022 which includes the years of heightened ESG awareness, our analysis does not support the notion that directors' ESG skills enhance firms' ESG performance, and we uncover a prevalent trend of "competency washing" among firms. Specifically, when examining ESG dimensions including environmental, human capital, and others, we find no evidence that directors' skill sets contribute to improved corporate ESG performance; in fact, such skill sets may even lead to worse firm ESG outcomes. However, we do reveal evidence indicating that director skill sets in ESG matters increase the likelihood of incorporating ESG objectives into CEO contracts. Additionally, when segmenting our sample into S&P 500 firms and those outside the index, we find that firm size matters — directors' ESG skill sets are more influential in affecting CEO contracts within S&P 500 firms.

The reputational damage of bank misconduct: the role of regulation and ESG performance **(Online)**

Maria Gaia Soana (University of Parma – Italy), Paola Schwizer (University of Parma – Italy), Alessandro Carretta (University of Rome "Tor Vergata" - Italy)

Abstract

This study investigates bank reputational losses caused by detected misconduct and the impact of bank ESG performance on this reputational damage. We use a unique dataset of 400 fines assigned to 39 European listed banks from 2009 to 2022 by both US and EU regulatory agencies. Applying the event study methodology, we show that detected misconduct determines significant reputational losses. European banks suffer higher reputational penalties when they are sanctioned by domestic (EU) rather than foreign (US) regulators. Moreover, banks' global ESG performance significantly mitigates reputational losses resulting from detected misconduct. Among the three sub-pillars of ESG performance, governance performance is shown to be crucial in reducing this reputational damage.

C.1.1 Asset Allocation and Valuation

Constant leverage covering strategy for equity momentum portfolio with transaction costs

Mario Negrete (Washington and Lee University – United States)

Abstract

The Constant Leverage covering strategy for equity momentum portfolio (CLvg) developed in this project cannot mask its shortcomings by increasing leverage. It has to successfully forecast and avoid more losses than profits to perform better than the momentum portfolio. This approach is different from other covering strategies available in the literature that focus on increasing the right tail of the momentum returns distribution at a faster rate than they increase the left tail. The CLvg strategy only depends on past information and uses the daily volatility of the loser portfolio to determine episodes of high and low volatility.

The daily volatility of the loser portfolio has a stronger relationship with large negative momentum returns than the daily volatility of the momentum portfolio. The daily volatility of the loser portfolio also has a weaker relationship with larger positive monthly returns; and is more predictable because it has a higher volatility persistence.

The negative effects of transaction costs on the CLvg strategy are measured using bid and ask prices reported by CRSP from 1992 to 2021. During this period, the stock market presented an average excess return of 9.19%, a Sharpe ratio of 0.61, and 9.74% of its returns were crashes, which is a better performance than the momentum portfolio. The CLvg adjusted by transaction costs presents excess returns of 16.93%, a Sharpe ratio of 0.84, and only 8.31% of its returns were crashes.

Applying Reinforcement Learning to Option Pricing and Hedging

Zoran Stoiljkovic (independent researcher)

Abstract

This paper provides an overview of the recent advances in reinforcement learning for pricing and hedging financial instruments, focusing on the Q-Learning Black-Scholes (QLBS) approach. This reinforcement learning approach bridges the traditional Black-Scholes-Merton (BSM) model with the artificial intelligence algorithms, enabling option pricing and hedging in a completely model-free and data-driven way. The study examines the QLBS algorithm's performance across different state variables and scenarios for a European put option. The results demonstrate that the model accurately estimates option prices under varying levels of volatility and hedging frequency. Additionally, the QLBS method shows robust performance across different moneyness levels. The analysis also incorporates proportional transaction costs, revealing their diverse impacts on profit and loss, influenced by the statistical properties of the state variables.

Maximum Likelihood Estimation and Inference on the Conditional Factor Model for Asset Pricing

Zhenya Liu (EM Normandie Business School – France)

Abstract

This paper develops a comprehensive maximum likelihood analysis of the conditional factor model proposed by Kelly, Pruitt, and Su (2019). We offer insights into its consistency, and convergence rate, and provide an analytical representation of the limiting distribution for factors and factor loadings' gamma. Additionally, we introduce two information criteria designed to determine the number of factors and construct two powerful Wald tests for verifying the presence of alpha and assessing the significance of characteristics. In the empirical application, we apply this analysis to two unbalanced samples comprising stock excess returns and firm characteristics with no missing data. We reject the null hypothesis of conditional alpha within both samples. Furthermore, our analysis exhibits robust out-of-sample performance in predicting the excess stock returns, affirming its effectiveness.

C.1.2 Sustainable Finance & Environmental Issues

The determinants of the misalignment of banks' financing with European Green Deal

Lorenzo Fichera (University of Catania – Italy), Simona Galletta (University of Catania – Italy), Sebastiano Mazzù (University of Catania – Italy)

Abstract

The issue of climate change is widely acknowledged as one of the most significant challenges currently facing society, concerning governments, financial institutions and companies. The recently initiated path of environmental transition is not straightforward and some issues in aligning to the sustainability goals have emerged. The aim of this paper is to detect the determinants of the misalignment of banks' credit portfolio with respect to the climate objectives from the Paris Agreement. This misalignment is receiving considerable attention by the authorities, since it represents a measure of banks' sustainability and assesses their role in the transition process. To explore it, we build our dataset including syndicated loans issued by European banks operating in countries that are part of the European system of central banks. Our evidence suggests that the misalignment can be attributed to the characteristics of the country in which a specific bank is located and primarily operates, such as its environmental performance, as well as to the sectors financed.

Sustainable financing for consumers: unveiling determinants and risk profiles

Stefano Cosma (University of Modena and Reggio Emilia – Italy), **Luca Gambarelli** (University of Modena and Reggio Emilia – Italy), Timothy King (University of Vaasa – Finland), Daniela Pennetta (University of Modena and Reggio Emilia – Italy)

Abstract

In this study, we pursue a threefold objective. First, to analyse the determinants of demand for sustainable financing at the consumers level aimed at purchasing goods and services that contribute to sustainable development goals. Second, to investigate the risk profiles of individuals applying for different categories of sustainable goods, namely green, education, and health. Third, to investigate the credit characteristics and risk profiles of applicants that most significantly influence the probability of receiving financing.

To answer our research questions, we exploit a unique proprietary dataset consisting of about 362,000 consumer loans provided by a major Italian player in the consumer credit market, spanning from January 2013 to December 2023. The results of the paper are of importance for both financial intermediaries and policy markets. The demand for sustainable financing is more likely to come from older clients, males, Italians, residents in the Northwest and Centre, employees, non-homeowners, and married individuals who tend to shop in physical stores. As regards the different categories of sustainable goods, requests for green purchases differ from social domain requests (educational, health), which are more likely to come from “weaker” client segments (young people, foreigners, women, the elderly). However, green applicants exhibit greater credit weakness: they are more indebted, have a mortgage, prefer longer terms, and face higher rejection rates and non-performing loans. Even after applying a propensity score matching procedure to compare individuals with the same socio-demographic characteristics, substantial differences in risk profiles persist. Clients seeking green purchase credit show greater credit weakness, being more indebted and having worse credit histories. These differences are reflected in a lower approval probability of loans: higher for those for educational purposes, followed by health, and finally green loans, indicating the potential scope for intervention by policymakers.

EPS Forecasts, Market Sentiment and Environmental Commitment

Domenico Frascati (Università LUM Giuseppe Degennaro – Italy), **Massimo Mariani** (Università LUM Giuseppe Degennaro – Italy), **Francesco D'Ercole** (Università Bocconi – Italy), **Alessandra Caragnano** (SDA Bocconi School of Management – Italy)

Abstract

This study examines how equity analysts adjust their short and long-term earnings per share (EPS) forecasts in response to market irrationality, as measured by the Baker & Wurgler Sentiment Index. Drawing on data from S&P 1200 constituents between 2010 and 2022, we focus on periods of heightened negative sentiment and investigate the role of companies' environmental claims and actions in mitigating the impact of market irrationality on forecast revisions. Our findings highlight that, during negative sentiment periods, strongly committed firms, as indicated by their greenhouse gas emissions and environmental disclosure industry-based rankings, experience less severe negative forecast revisions than their laggard counterparts. The result suggests that environmental commitment enhances market agents' social trust and pays off in times of higher market irrationality, acting as a buffer against market irrationality and fostering greater analyst trust in firms' prospects.

C.1.3 ESG, Green Bonds & Risk Governance

Cash holdings, excess investments, and governance washing. Does non-financial reporting pay off?

Francesco Baldi (University of Bologna and LUISS Guido Carli University - Italy), Giovanni Ferri (LUMSA University – Italy), Neophytos Lambertides (Cyprus Institute of Technology – Cyprus)

Abstract

One of the dissimilarities across the Atlantic regards how to promote sustainable finance. The European Union has not only shown more determined to boost the Green Transition but has also adopted a mandatory approach to regulate firms' nonfinancial disclosure. In the United States, instead, a pragmatic market approach prevails, i.e., it is a firm's own decision whether and through which means to engage in sustainability disclosure. Possibly, this reflects the dominance of the civil law in the EU vs the common law in the US. Accordingly, the EU passed its Non-Financial Reporting Directive (NFRD) requiring compliance from 2018 onwards by about 11,000 European medium-large firms, while firms faced no comparable obligation in the US where disclosure remained optional and, thus, linked to a mechanism of corporate reputation.

Against this background, our research question is rather naïve. Did the NFRD pay off in terms of inducing firms to behave more sustainably? The answer could be yes if one considers the visible ESG premium enjoyed by European over US firms (e.g., see Ciciretti et al., 2023, and the literature cited therein). However, though probably necessary, this evidence is not sufficient to ensure more sustainable behavior. Indeed, a firm endowed with a high ESG score may behave quite unsustainably if it engages in ESG washing – be it either green or social or governance washing –, that is the firm attempts to create the illusion of social or environmental or governance responsibility in order to improve its public image. And the evidence is growing that firms do engage in ESG washing (e.g., Berg et al., 2022; Sastry et al., 2024). Thus, one way to gauge whether the NFRD effectively contributed to make European firms more sustainable is ascertaining if ESG washing decreased after the directive was enforced since 2018. This is exactly the method we selected to assess the matter.

In practice, we used RepRisk data reporting the number of ESG incidents for each of the European firms included in the database. To be sure, descriptive evidence comforts our hypothesis in that the number of ESG incidents at EU firms dropped after 2017. Nonetheless, we could not stop here because this descriptive evidence might be only cursory. Instead, to reinforce our methodology, we introduced two innovations. First, we identified a set of financial practices and product market outcomes on which theory provided us with clear implications in case the firm indulged in ESG washing. Concerning financial practices, we assume that the occurrence of ESG washing should lead the firm to hold excess cash and invest in excess fixed assets as a cushion against that shock (e.g., Palazzo, 2012 and Han & Qiu, 2007 for cash holdings; Li et al., 2017 and Favara et al., 2021 for excess fixed assets). As to product market outcomes, we use a measure of market power and posit that the negative reputational shock due to ESG incidents leads the firm to lose market share and market power (e.g., Koenig & Poncet, 2019). Our second innovation consisted in conjecturing that ESG washing occurrences would be judged gravest (Newton et al., 2023; Consolandi et al. 2023) when they regarded the G-governance dimension of the ESG score after the NFRD came into force.

Using country and industry fixed effects, we run regressions on the determinants of cash holdings, fixed asset investment and market power where, in addition to several firm level controls, we insert as potential explanatory variables the number of firm level ESG incidents from RepRisk. Specifically, we break down the incidents according to E, S and G plus a crosscutting category where the ESG incident is transversal to the three dimensions. In most of our regressions results conform to our hypotheses. For instance, fixed asset investments increase in the number of E-type incidents while market power drops in the number of E-type incidents and in the number of G-type incidents. Moreover, we include a dummy NFRD taking value 1 since 2018 onwards. Finally, and this is of utmost interest to us, we introduce interaction

terms among the E-type, S-type and G-type incidents with the NFRD dummy. By and large, most of these results provide support to our hypotheses. Namely, it is especially the interaction between the G-type incidents and the NFRD dummy that comes out statistically significant and exerting the expected effect of reducing fixed asset investments and enhancing market power after 2017. We interpret these findings along the following reasoning. Since, with the compliance to NFRD, after 2017 EU firms are mandated to sustainability disclosure, now markets already internalize the probability of those incidents which could not be factored in before.
Overall, our results support the idea that the mandatory approach of the EU is being effective as an exercise of stewardship leading firms to behave in a more sustainable manner.

Risk governance mechanism and dividend policy: Evidence from Banks in MENA region.

Abdullah A Aljughaiman (King Faisal University – Saudi Arabia), Kaouther Chebbi (King Faisal University – Saudi Arabia)

Abstract
This paper investigates the complex relationship between risk governance and financial decisions, with a particular focus on the impact of banks' risk committees on dividend policy. We further extend our analysis to compare between Conventional and Islamic banks in investigating the association between RC and payout level. Using a diverse sample of 360 banks in the MENA region from 2005 to 2019, we uncover insightful findings. Our analysis reveals that strong risk committees enhance payout levels in both banks type (CBs and IBs). Notably, we observe a change in the influence of risk committees on payout levels, with a clear contrast before and after the recent financial crisis. Prior to the crisis, the activities of risk committees did not have a discernible impact on banks' payout levels. However, in the post-crisis era (post-2008), their influence became more significant. This study sheds light on the evolving corporate governance codes in MENA countries, highlighting the increased role of risk committees in overseeing all aspects of risk in the aftermath of the financial crisis. Our use of advanced estimation techniques, such as GMM and propensity matching scores, strengthens the reliability of our findings. Our research not only provides an insightful understanding of the factors driving payout policies in emerging markets but also has significant implications for banks, investors, managers, regulators, and policymakers in the MENA region.

Green bonds and performance: The moderating role of ESG and firm profitability

Francesco Cappa (Luiss Guido Carli University – Italy), **Francesco Fasano** (University of Calabria - Italy), Raffaele Oriani (Luiss Guido Carli University – Italy), Samuel Vigne (Luiss Guido Carli University – Italy)

Abstract
Green bonds are increasingly emerging as an instrument of alternative finance and particularly of green finance. Recent literature is focusing on the phenomenon of green bonds, and in this line of studies, we investigate some conditions that make green bonds beneficial for firms. In particular, we find that sustainability performance, measured in terms of ESG score, plays a crucial role in firm legitimacy and in sending positive signals to the market, influencing the effect of green bond issuance on performance. We observe that a higher firm's ESG level positively affects the relationship between green bond issuance and firm expected performance, but this holds true up to a threshold, after which investors might perceive that excessive attention placed on ESG activities may distract the firm from its economic goals. This work provides important implications for scholars, managers, and policymakers about the impact of green bond issuance on firm expected performance, highlighting that firm sustainability and profitability should be carefully considered. Considering the ongoing debate on sustainable investing, our findings provide initial insights into when green bonds may be beneficial for firms.

O2 Banking, Digital Currencies, and Disasters

Deposit Rate in Dual Banking Market: Attracting and Retaining Depositors **(Online)**

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

Abstract
Deposits are characterized as the lowest costs of funds for banks and are essential to banks' operations. This study examines conventional and Islamic banks in a dual banking market from 2008 to 2021 and analyzes their behavior in setting deposit rates by considering reputation and switching costs. These variables provide important insights reflecting critical aspects of attracting and retaining depositors. Our results show that reputable banks tend to offer lower deposit rates. However, market power reinforces the effect of reputation on deposit rates for CBs, while showing no significant impact on IBs. Similarly, we also reveal that switching costs negatively impact deposit rates for both conventional and Islamic banks.

What Determines Potential Usage of the Digital Euro? **(Online)**

Volker Seiler (ICN Business School – France)

Abstract

The arrival of private digital monies such as cryptocurrencies and stablecoins challenges the role of public money as anchor of the monetary system, the monetary sovereignty of central banks and the transmission of monetary policy. Consequently, central bank and monetary authorities around the world intensify their work on central bank digital currencies (CBDC). While research focuses on potential effects of CBDC on financial stability, disintermediation and implications for monetary policy, the literature remains silent with regard to design features that might drive usage of CBDCs. Focusing on the European Central Bank's (ECB) digital euro project, the estimates from a logistic regression model point to consumer attitudes having by far the largest effect on potential usage. Usage probability is higher for younger persons and increases linearly with household income. Moreover, the coefficient estimates for the different design features reveal that ease of use, the possibility to use the digital euro in offline settings and payment via smartphone have a significant impact on usage probability.

Decoding the Influence of Natural Disasters on European Bank Lending Unveiling Critical Channels and the Essential Role of Insurance Schemes **(Online)**

Caterina Di Tommaso (University of Bari – Italy), Maria Mazzuca (University of Calabria - Italy), Vincenzo Pacelli (University of Bari – Italy)

Abstract

In this study, we address two research questions: (i) whether natural disasters increase (through a demand-driven channel) or decrease (through a de-risking channel) bank lending; and (ii) whether the presence of mandatory insurance schemes mitigates the Impact of Natural Disasters on Bank Lending. To answer our research questions, we identify 102 natural disasters that occurred during the period 2012–2023 and then investigate the impact these events have on bank lending. The results, obtained using panel regression models, reveal a significant negative relationship between natural disasters and bank lending, highlighting the vulnerability of the banking sector to external shocks. Additionally, we find that mandatory insurance schemes can act as effective safeguards, mitigating the adverse effects of natural disasters on lending activities. Furthermore, our analysis emphasizes the importance of each country's specific approach to climate issues in mediating such negative effects of natural disasters on bank lending. These findings carry important implications for policymakers, regulators, and financial institutions aiming to bolster financial stability and foster sustainable economic growth in the face of natural disasters.

Bitcoin and Ethereum: Commodities or Alternative Assets - an Experimental Approach **(Online)**

Jorge A. Chan-Lau (ASEAN+3 Macroeconomic Research – France), **Daria Gottwald** (University of Bath – United Kingdom), Ariel Sun (University of Bath – United Kingdom)

Abstract

In 2024, institutional investors surged into the crypto market, prompting regulatory discus- sions on Bitcoin and Ethereum classification. While the UK and EU classify them as alternative assets, in the US they fall under the responsibility of the commodities regulator. This research paper underscores the significance of classification and its attendant challenges. Specifically, We examine whether Bitcoin and Ethereum exhibit commodity-like behaviour in portfolios. Through forecasting (i), trading strategy tests (ii), diversification analysis (iii), and risk mea- surement (iv), including extreme price movement episodes, we find that the crypto currencies behave very distinctly than traditional commodities. Based on our results, We propose an alternative approach for institutional investors to commence crypto asset trading accounting for the possibility of extreme price movements.

C.2.1 Corporate Finance 2

PE-Acquired Ownership and Leverage Buyout Lending

Baikun Chen (University of Bath – United Kingdom), Winifred Huang (University of Bath – United Kingdom)

Abstract

We examine how agency conflicts between private equity (PE) investors and lenders influence leveraged buyout (LBO) loan pricing and covenants. Our analysis reveals that lenders generally provide cheaper LBO loans when PE investors acquire higher equity ownership in target firms. This suggests lenders perceive PE investors' interests as better aligned with their own when PE investors have larger equity stakes. However, for underperforming target firms before the buyout, higher PE ownership leads to stricter loan covenant restrictions, especially performance covenants. This is consistent with lenders' concerns about PE investors' risk-shifting behaviour when equity incentives are misaligned for underperformed firms. Overall, our findings highlight how lenders account for agency conflicts by adjusting LBO loan

pricing and covenants based on PE investors' equity incentives and the performance of their targets. The results have implications for understanding the governance role of LBO loan terms in mitigating agency costs between PE investors and creditors.

Why Do Firms Strategically Delay Payments of Corporate Loans?

Ahmet Deryol (King‘s College London – United Kingdom)

Abstract

Firms may prefer to delay some loan payments while continuing to service others due to lender and loan characteristics. This paper explores the impact of bank-level and bank–firm-level indicators on the strategic delay behaviours of non-financial corporations. Three factors play a key role in their strategic delay decisions. First, strategic delay events occur more when the likelihood of obtaining additional and high-quality funding in the future is limited. In this regard, firms strategically delay payments more to foreign banks, financially weak banks, and banks that provide relatively short-term funding and with which they have a short length of relationship. Second, firms are more reluctant to delay payments of loans strategically that are easier to repay. Our analysis reveals that firms prioritize payments of loans that have a low share in their overall loan portfolio and loans denominated in domestic currency. Third, firms are more likely to delay payments when the anticipated cost of delaying is low. As such, strategic delay events occur more when banks maintain lax standards in their loan collection processes. Importantly, as the financial literacy levels of firm owners increase, the likelihood of a strategic delay event decreases.

Dual class shares design in corporate firms: The role of specific assets

Hubert De La Bruslerie (IAE Paris - Sorbonne Business School – France)

Abstract

The theoretical issue of the optimal “wedge” between voting rights and cash flow rights is the straightforward consequence of a shareholding structure with different classes, namely Dual class shares (DCS). It raises the question of the number of votes to give to the shares belonging to the superior right classes. We demonstrate that the wedge is not a symptom of agency conflicts, but the endogenous variable of an implicit contract. The paper contributes to the theoretical literature and gives insights into understanding the development of DCSs in certain industries by outlining the role of specific assets. DCSs are shown to be a way to solve the conflict between the incentivization and the entrenchment effects. Simulations of the model show that an agency equilibrium is more difficult to obtain, or even impossible, in a One share-one vote framework. The design of DCS becomes the only framework to set up joint solutions. Simulations justify DCS systems with low voting ratios for low- and medium-specific assets-intensive firms. To justify higher voting ratios of 10 or 20 votes per superior right shares, we need to refer to high specific assets-intensive firms or high-value creation prospects.

C.2.2 Corporate Finance 3

Information Asymmetry and Financial Performance: The Moderation Role of Corporate Governance

Abdulateif Almulhim (King Faisal University – Saudi Arabia), Abdullah A Aljughaiman (King Faisal University – Saudi Arabia)

Abstract

This study aimed to investigate the effect of information asymmetry on financial performance as well as examining the moderating impact of three corporate governance mechanisms 1) board of directors, 2) CEO power, and 3) ownership concentration on information symmetry and corporate performance of listed firms in the UK. We used the ordinary least squares (OLS) model to examine these associations. In addition, we used system GMM model to test for endogeneity problems. Using a sample of 5950 observations representing the non-financial firms listed on the Alternative Investment Market (AIM) for 10 years from 2010 to 2019, we found that information asymmetry is negatively and significantly associated with financial performance. Also, we found that the three corporate governance mechanisms (boards of directors, CEO power, and ownership concentration) moderated the association between information asymmetry and financial performance. Regarding the boards of directors' characteristics, board size, independent members, financial expertise members, and female members mitigated the adverse effect of information asymmetry on financial performance, while busy members exacerbated it. For the CEO power, we found that CEO duality increases the negative impact of information asymmetry on financial performance. Nevertheless, CEO ownership reduced the adverse impact of information asymmetry on corporate performance. Lastly, we found that blockholder ownership (used as proxy of ownership concentration) increases the negative impact of asymmetric information on financial performance. The results of this study have implications for UK regulators, firm boards of directors, and firm shareholders.

Long-And Short-Term Effects of The Country-Level Governance Quality Indicators on Stock Market Volatility: Evidence in the APEC region.

Dong Dang (London South Bank University – United Kingdom), Weiou Wu (London South Bank University – United Kingdom), Ioannis Korkos (London South Bank University – United Kingdom), Zhen Ye (University College London - United Kingdom)

Abstract

This article investigates the impacts of country-level governance quality indicators (CGQIs) on stock market volatility in APEC countries in the short-and long-term. Utilising the GARCH- MIDAS model and Time-Varying Wald Granger Causality (TVGC) recursive evolving Wald test, the analysis reveals that in the short-term, the changes in CGQIs aggravate stock market volatility across countries in the APEC region. In the long-term, the changes in CGQIs including corruption control, regulatory quality, rule of law, voice and accountability contribute to stabilising the stock market in the long-term. In contrast, the variations in government effectiveness trigger stock market volatility with the effects primarily be observed in developed countries. Only political stability improvements alleviate stock market volatility across developing countries in the long-term. Furthermore, examining heterogeneity issues in the APEC region, our findings imply that neglecting differences of country-level governance characteristics results in greater stock market volatility in the short-term across the APEC countries. Finally, we find that changes in the casual relationships between CGQIs and stock market volatility across APEC countries happen around major international events.

Debt Covenant Violations and Risk Shifting Behavior

Umar Butt (Zayed University - United Arab Emirates), Trevor Chamberlain (McMaster University – Canada), Sudipto Sarkar (McMaster University – Canada)

Abstract

This paper examines the risk-shifting tendencies exhibited by firms when making investment decisions after breaching debt covenants, by employing a real options framework. We employ a GARCH model to measure the conditional expected volatility of the market and find that the risk-shifting motivations of shareholders counteract the anticipated negative correlation between investment and volatility as firms violate covenants and become financially distressed. Our empirical analysis confirms the hypothesis that volatility positively impacts the investments of these firms. Additionally, we find that financially distressed firms' investments lead to value deterioration during periods of heightened volatility. Our estimate of the cost of risk-shifting shows that the investment choices of such firms reduce the value of their debt from 4.91% to 7.78%.

C.2.3 Contagion and Geopolitical shocks

International relations as a driver of equity investments: Evidence from shareholders' reaction to geopolitical shocks

Luca Bellardini (University of Milano-Bicocca - Italy), Oliviero Roggi (University of Catania - Italy), Kateryna Tkach (Gran Sasso Science Institute - Italy)

Abstract

This paper examines the impact of geopolitical shocks on shareholder reactions and portfolio decisions between 2020 and 2023. It sheds light on equity flows at times of 'perma(nent) crisis'. The study focuses on six pivotal events: namely, the COVID-19 pandemic, the Brexit Trade Agreement, the US withdrawal from Afghanistan, the Russian full-scale invasion of Ukraine, Taiwan Strait tensions, and the Hamas-led attack on Israel. For each shock, a sample of investor-target pairs was constructed on a global scale, comprising the top owners of up to 196 large listed undertakings. For each event and pair, changes in shareholders' portfolio exposure (PE) and the stakes held (SH) were examined in the month surrounding each event, with the aim of minimizing confounding factors. Our analysis tends to support the concerns over an allegedly ongoing 'deglobalization' trend. Investors were more likely to reduce their exposure to foreign companies in the wake of geopolitical shocks; however, those with an outright majority of their portfolio invested in a single entity typically did not alter their positions. Additionally, geopolitical relations played a pivotal role in PE changes, as investment decisions - particularly from non-democratic countries - closely mirrored the dynamics of international alliances.

Shock Resistors or Transmitters? Contagion across Industries and Countries during the COVID-19 Pandemic and the Global Financial Crisis

Hadi Harb (Yaşar University – Turkey), Mehmet Umutlu (Edinburgh Napier University – United Kingdom)

Abstract

We examine how global shocks from various sources propagate across countries and industries to identify resilient markets and similar shock-transmission patterns during the last two global crises. To assess the extent of financial contagion, we utilize a residual-based and volatility-adjusted correlation measure that isolates the effects of common risk factors and changes in volatility. We find that specific industries and countries exhibited resilience during both global crises, while others played a significant role in transmitting shocks. In turbulent market conditions, the capacity to identify immune industries and countries provides global investors with actionable insights, thereby enhancing portfolio stability and guiding risk management strategies.

The contagion effect of natural disasters in the Sovereign CDS market: Which causes?

Caterina Di Tommaso (University of Bari – Italy), **Matteo Foglia** (University of Bari – Italy), Vincenzo Pacelli (University of Bari – Italy)

Abstract
This study investigates the contagion effect of natural disasters on credit default swap (CDS) spreads in the European Union (EU) using a Generalized Method of Moments (GMM) approach. With a focus on understanding the channels through which contagion occurs, we analyze data from 11 EU countries spanning the period from 2007 to 2021. The analysis explores the causes of the propagation impact of natural disasters on CDS spreads, considering factors such as geographical distance, financial investment flow, and trade balance. Our findings highlight a significant positive effect of natural disasters on CDS spreads, indicating heightened perceived financial risk following such events. Furthermore, we observe that countries with higher CCPI scores exhibit a lower contagion effect, suggesting that climate commitment may mitigate the financial impact of natural disasters. These results underscore the importance of proactive climate policies and risk management strategies in enhancing financial stability in the face of environmental shocks.

D1.1 Corporate Finance 4

Political contributions and court shopping in large Chapter 11 cases

Shilin Zhang (Ghent University – Belgium), Kris Boudt (Ghent University – Belgium)

Abstract
When company employees are faced with a dilemma, they can choose to reduce their political contribution to increase their savings or increase them to seek protection from politicians and judges. We investigate these actions for large-scale bankruptcies in the US from 1994-2022. Using the merged firm-level database of the employee's and corporation's political contributions from the Federal Election Commission (FEC) from 1994 to 2022 covering 399 cases, we find a decrease in political contributions before Chapter 11. In addition, there are strong corporation contribution effects on the pro-debtor bias decisions of judges. Furthermore, the managers from cases tend to have a higher chance of deciding to do Bootstrap Shopping when there are more contributions through Corporation PAC.

Stock Prices and the Investor Recognition Hypothesis

Adri De Ridder (Visby; Uppsala University - Sweden)

Abstract
This paper examines the determinants of Swedish share prices, considering firm size, shareholder base size, and shareholder type. Contrary to the frictionless and efficient market hypothesis, we find that share prices are not arbitrary but are influenced by firm characteristics and investor preferences. Analyzing a sample of 566 firms over 5,499 firm-years between 2000 and 2022. Fama-MacBeth cross-sectional regressions reveal that larger firms tend to have higher share prices. Institutional investors prefer higher prices, while retail investors favor lower prices, consistent with prior research. Furthermore, investment size matters particularly for retail investors, indicating their sensitivity to price levels. When considering dividend payouts, domestic institutional and retail investors show higher holdings in dividend-paying firms, while foreign institutional investors show no significant association, possibly due to transaction cost considerations. Overall, these findings suggest that firms actively manage share prices to attract specific investor groups, supporting the investor recognition hypothesis and implying value creation through broadening the investor base.

Inside the Beltway: Senator Trading and Legislative Gain

Vito Mollica (Macquarie University - Australia)

Abstract
This study examines the extent to which U.S. senators capitalize on information derived from their legislative roles, addressing a key issue in the debate over prohibiting stock trading by Congress members. Utilizing a comprehensive dataset of all recorded trades by senators from 2013 to 2021 and congressional bill texts, we employ natural language processing to systematically categorize bills by industry. This methodology allows us to align senators' stock trades with relevant bills and their legislative milestones. Our findings reveal that the most lucrative trades are

executed within a 1–30-day window preceding bill enrollments, generating abnormal returns that persist for over a year. Additionally, senators with greater legislative effectiveness and influence realize higher abnormal returns than their less influential counterparts and are more likely to engage in anticipatory trading of stocks impacted by pending legislation.

D.1.2 Board of Directors

Director interlocks and banker-directors' board advising role on R&D investment: evidence from Enforcement Actions

Abdurrahim Altunisik (University of Southampton - United Kingdom), Taufiq Choudhry (University of Southampton - United Kingdom), Yue Zhou (University of Southampton - United Kingdom)

Abstract
We investigate by employing a quasi-experimental setup and difference-in-differences approach whether interlocked banker-directors impact manufacturing companies' Research and Development(R&D) investments by using Enforcement Actions (EAs). We find that during the enforcement action years (when banker-directors are distracted), the possibility of bank-linked manufacturing firms' Research and Development investment increases. The evidence suggests that the presence of a banker-director lowers the chance of R&D investment in US manufacturing firms. By examining US manufacturing firms, we explore the corporate governance channel by which bank shocks are transmitted to the real economy. However, in our context, adverse shocks to banks help to upsurge the probability of firms' R&D investments. These findings provide fresh insight into the negative impact of banker-directors in disseminating advising initiatives by interconnected boards.

Empowering Saudi Women on Boards: Unveiling the Value Relevance of ESG Disclosure

Abdulrahman Alomair (King Faisal University - Saudi Arabia), Abdulaziz Al Naim (King Faisal University - Saudi Arabia)

Abstract
This study examines the value relevance of environmental, social, and governance (ESG) disclosure and the moderating effect of female board representation within the framework of Saudi Arabia's Vision 2030. Utilizing a dataset of 240 firm-year observations from 40 Saudi non-financial firms between 2017 and 2022, the study investigates whether firms with higher ESG disclosure scores have higher market valuations and whether the presence of female board members enhances this relationship. The findings reveal that robust ESG disclosure is positively associated with market value, suggesting that transparency and strong ESG practices boost investor confidence. Additionally, the presence of female board members significantly strengthens the positive impact of ESG disclosure on market valuation, highlighting the strategic importance of gender diversity in corporate governance. These results underscore the need for continued efforts to promote gender diversity on boards and enforce stringent ESG reporting standards, aligning with Vision 2030's goals of fostering a sustainable and transparent business environment. The study contributes to the literature by providing empirical evidence from an emerging market and offers practical implications for policymakers, corporate leaders, and investors.

The Impact of Female Board Representation on the Systemic Risk of Banks: A Comparative Analysis of Inside-Out and Outside-In Systemic Risk

Alexander Nitschke (University of Münster – Germany)

Abstract
A widely recognized phenomenon in the economic and psychological literature is that women tend to have higher risk aversion in individual decision-making compared to men. However, how the share of women in corporate decision-making bodies impacts different dimensions of firm risk is more ambiguous. This study analyzes the impact of female board representation on the systemic risk of U.S. banks. Its main contribution is to explicitly measure and contrast two perspectives of systemic risk in a directly comparable approach: the inside-out systemic risk, representing the risk that a bank contributes to the financial system, and the outside-in systemic risk, which measures a bank's exposure to extreme losses in the financial system. The results show both a statistically and economically significant negative relation between banks' female board representation and inside-out systemic risk, whereas the relation is statistically insignificant for outside-in systemic risk. Results are robust against a different measurement of the two perspectives of systemic risk. The inside-out systemic risk impact seems to be driven by banks' business risk and not monitoring activity. From a policymaking perspective, the findings suggest that a stepwise increase in female board representation and improved financial stability can be complementary goals.

D.1.3 M&A, Spin-offs, and ESG Rating

Does M&A activity spin the cycle of energy prices?

Jianuo Wang (University of Southampton; University College, London – United Kingdom), **Martin Enilov** (University of Southampton; Queen Mary University of London – United Kingdom), Renatas Kizys (University of Southampton – United Kingdom)

Abstract

This research investigates the predictive power of mergers and acquisitions (M&A) activity on returns and volatility in energy commodities from January 1997 to September 2023. We adopt a novel time-varying robust Granger causality framework to analyse the dynamic relationship between M&A activity and energy returns and volatility within the global oil and gas industry (O&G). In addition, we examine the network structure of M&A activity and energy prices across different quantile regimes. We find that M&A activity exhibits significant time-varying forecasting ability for both energy returns and volatility. Specifically, M&A transactions led by oil acquirers, representing deals where both acquirer and target pertain to the O&G industry, demonstrate stronger forecasting ability for energy returns than M&A transactions led by acquirers from non-O&G industries. Conversely, non-O&G acquirer M&A activity shows greater predictive ability for energy volatility. Robustness checks validate our main findings. First, our multi-horizon model reveals significant bi-directional causality between M&A activity and energy series for 3 and 6-month forecasting horizons, which affirms a lasting influence on energy returns and volatility. Second, the strength of connectedness at extreme quantiles surpasses that at the median, with its magnitude increasing over the forecasting horizon. Third, our baseline results withstand variations in rolling window size. These findings carry implications for policymakers and investors; they suggest that M&A activity within the O&G industry should be considered when making decisions in the energy market, as it plays a crucial role in predicting the dynamic direction of energy prices.

The Contributions of Analysts' Forecasts for Understanding Divested Spin-Off Firm Performance

Tracy Xu (University of Denver - United States)

Abstract

This study examines analysts' forecasts of spin-off firm performance. Empirical analyses of a panel of 353 spin-off firms support a hypothesized U-shaped relationship between consensus in analyst forecast and performance. The findings also show that evolution toward high or low consensus in forecasts over time is related to performance increases. In addition, the analyst forecast-performance relationship is robust to the spin-off's industry membership: the hypothesized U-shaped relationship existed irrespective of whether the spin-off resided in hard-to-value industries. Further, post hoc analyses find that analysts' forecasts have a statistically significant but minor role in explaining spin-off firm performance. The study findings suggest that analysts' forecasts have a complex relationship with spin-off firm performance and that their overall practical utility appears to be relatively small.

Mutual fund performance and ESG rating: Evidence from mutual fund holdings in Taiwan

Lanfeng Kao (National University of Kaohsiung – Taiwan), **Anlin Chen** (National Sun Yat-Sen University – Taiwan)

Abstract

This study explores the relationship between mutual fund portfolio selection and ESG rating. The stocks invested by ESG funds perform better in ESG ratings compared to those invested by non-ESG funds. Moreover, funds that have been established for a longer time, have larger scales, and have better past performance, tend to have better ESG ratings. Fund companies increase their holdings in stocks whose TEJ ESG rating has improved. Investors invest more capital into funds with higher ESG rating. The higher the ESG rating of mutual funds, the better their performance is. Fund companies do not reduce their holdings in firms that have experienced negative ESG news. Mutual funds generally prefer to invest in firms with better ESG rating. Choosing stocks of firms with better ESG performance can attract more capital inflow and lead to higher performance. Fund companies hold stocks of firms with good ESG performance is primarily due to performance considerations rather than ESG considerations.

D.1.4 Finance, Microfinance, and SMEs

Financial Stimulus and Microfinance Institutions in Emerging Markets

Carlos Burga (PUC-Chile)

Abstract

We estimate the role of Micro-Finance Institutions (MFIs) in shaping the allocation and aggregate impact of financial stimulus in developing countries. To do so, we study a huge program of small firm loan guarantees implemented in Peru during the Covid-19 recession. We find that the program expanded credit supply and improved small firm

performance with substantial heterogeneous effects. A 10 percent increase in credit supply led to a 5 percentage points decline in delinquency rates among smaller firms, and only 1 percentage point among bigger borrowers. Despite the high elasticity, smaller firms exhibit a low participation in the program, partially explained by lender incentives. While MFIs provide 50 percent of their guarantees to smaller borrowers, traditional banks provide only 20 percent. Motivated by these results, we build a model where MFIs and traditional banks face different distributions of clients and calibrate it with our reduced-form estimates and micro-data. Our model indicates that MFIs increased by 30 percent the share of performing loans during the Covid-19 recession, relative to a counterfactual scenario where only traditional banks distribute all guarantees.

Stock returns and macroeconomic uncertainty

Thao Nguyen (Department Finance, Accounting, and Insurance (KU-AFI) - Belgium), Kristien Smedts (Catholic University of Leuven - Belgium), Leonardo Iania (UCLouvain – Belgium)

Abstract

This paper provides a comprehensive review of various measures of uncertainty and their asset pricing implications in the cross-section of U.S. stock returns. With a focus on survey-based uncertainty, we add to the list of uncertainty measures previously studied in the literature with novel measures of forecast disagreement sourced from three professional forecast datasets. Through both portfolio analyses and stock-level cross-sectional regressions over the sample period between 1989 and 2020, we observe that exposure to uncertainty can explain a significant portion of the cross-sectional dispersion in future stock returns. For survey-based uncertainty, the negative relation between uncertainty and future returns persists over long-term investment horizons, extending up to 36 months, and cannot be explained by the well-established return-predicting factors. Our subsample analysis also reveals that for the uncertainty measures heavily dependent on macroeconomic data, the return predictive power of uncertainty is significantly more prominent in the later subperiod.

Robustness analysis in an augmented credit rating for Small and medium-sized enterprises

Silvia Angilella (University of Catania – Italy), Michael Doumpos (Technical University of Crete – Greece), Sebastiano Mazzù (University of Catania – Italy), **Maria Rosaria Pappalardo** (University of Catania – Italy), Constantin Zopounidis (Technical University of Crete – Greece)

Abstract

Giving the crucial role of SMEs, in this paper we propose a methodology to build an augmented credit rating model for SMEs. The proposed methodology is mainly based on an efficiency analysis, firstly developed in Greco et al., 2019 and then enhanced in Angilella et al., 2024. Such approach combines elements from Data Envelopment Analysis (DEA) with Multi-Criteria Decision Aid (MCDA). Moreover, in this paper an extended robustness analysis on the proposed methodology is performed. In fact, establishing a robust credit rating model for SMEs is a prerequisite to identify factors (financial and ESG) contributing to companies' riskiness. This can also help in gaining a more reliable insights in the vulnerability of some small and medium enterprises (SMEs).

Policy of Mandatory Rates and their Impact on Voluntary Contributions - Empirical Evidence from an Italian Complementary Pension Fund

Alex Laimer (Free University of Bozen- Italy)

Abstract

Leveraging over one million observations from Italian complementary retirement accounts for a time period of 16 years, I show how the policy setting of mandatory contributions impacts individual contributions. I provide empirical evidence for an asymmetry in sensitivities of the two funding mechanisms Employee Rate and Employer Rate on additional complementary savings. The analysis indicates that increases to both rates negatively affect the propensity to conduct voluntary contributions. The magnitude of voluntary contributions are incompletely crowded-out by higher Employee Rates, while elevated Employer Rates are linked to higher voluntary contributions. Furthermore, by analyzing responses to changes in the policy of mandatory contributions from one collective agreement, I demonstrate that the effect from Employer Rates strongly affect higher voluntary contributions of new inscriptions.

O.3: Banking and Stability

Are you a Zombie Firm? An Early Warning System Based on Machine Learning Methods **(Online)**

Angela De Martiis (Institute for Financial Management, University of Bern – Switzerland), Thomas Heil (Zeppelin Universität – Germany), Franziska Peter (Zeppelin Universität – Germany)

Abstract
This paper develops an early warning system based on machine learning methods and logistic regressions to predict zombie firms. We use feature selection methods on large data sets of listed firms from Europe and the US to find the most important variables that separate a zombie firm from a recovered zombie. We find that beyond debt and income, taxes and equity are recurring features. Altogether, we document that differently to standard pre-selected variables, an ensemble of features related to the firm capital, financial, and industry structure are needed to predict zombie firms and recovered zombies.

Bank IPOs and Regulations: Cross-Country Evidence **(Online)**
Georgios Kouretas (Athens University of Economics and Business – Greece, IPAG business School - France), Maria-Eleni Agoraki (University of the Peloponnese – Greece), Dimitrios Gounopoulos (University of Bath - United Kingdom)

Abstract
The present paper investigates the effect of bank industry regulation on bank IPOs underpricing. First, we conduct our analysis within a micro perspective by focusing on the effect of disclosure rules on IPO underpricing. Second, we consider the effect of the regulatory and supervisory indices developed by Barth et al. (2001, 2004, 2008). We employ a pool of banks' common share IPOs from January 1994 to December 2020 for 948 banks from 41 countries. Our results suggest that banking regulations enhance market discipline and empower the supervisory power of the authorities at both the micro-level and macro-level and this evidence further leads to increased social benefits. The integrity of the going public process improves and the offer price capture more accurate the actual value of the bank. IPOs listed under strict regulatory framework experience lower level of underpricing. We attribute our results to intense monitoring which states that regulations that promote market discipline will result in better outcomes for the banking sector. Again, market discipline enhancement and lower moral hazard will lead to a decline in economic rents and a rise in social benefits along with a more efficient resource allocation. Such a positive impact on investors' benefit will arise for lower mispricing. For robustness we conduct an additional analysis only for the U.S. banks' IPO initial returns subject to additional institutional reforms in the U.S. financial industry and our findings reinforced our baseline findings of a negative relationship between IPO initial returns and banking regulation and supervisory framework.

Relationship Banking and Lending Cost in the Interbank Market: A Network Approach **(Online)**
Pia Weiss (University of Nottingham – United Kingdom), **Ye Bai** (Xian Jiaotong Liverpool University – China), Victor Murinde (SOAS, University of London _ United Kingdom), Christopher Green (Loughborough University – United Kingdom)

Abstract
We study the determinants of bilateral interest rates in the Kenyan overnight interbank market between. Our unique dataset includes daily trading data between 2003 and 2012 and covers six major liquidity shocks.

Analyzing Network Dynamics: The contagion effects of SVB collapse on the US tech industry **(Online)**
Fan Wu (Cardiff University - United Kingdom), Anqi Liu (Cardiff University - United Kingdom), Jing Chen (Cardiff University - United Kingdom), Yuhua Li (Cardiff University - United Kingdom)

Abstract
The collapse of Silicon Valley Bank in 2023 marks the second-largest bank failure in the history of the United States. While its major clients were from the technology sectors, we propose that under the collapse of SVB, there is a contagion effect within the tech industry. Following the estimation of "LASSOed" large VARs, we analyze both dynamic and static network connectedness among 30 tech companies in the US. Our findings indicate a downward trend in the total connectedness index of selected tech companies. This study also provides a clear visualization of the net contagion paths within the network before and after the SVB collapse. By further comparing serval network properties, we found the network structure changed before and after the SVB collapse. The results offer insights for different stakeholders to mitigate the risk associated with such failures under similar contexts.

List of Participants

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Organizers and Partners

EM Normandie Business School

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https://www.em-normandie.com/

Dipartimento di Economia e Impresa

The Department is engaged in scientific research, teaching programmes and promotion initiatives in the fields of Economics, Business Economics, Mathematics, Statistics and Economic Law. It has a long tradition, which dates back to the first years after WW1. During more than a century of uninterrupted work, it educated many young generations to be successful workers in several fields.
https://www.dei.unict.it/

Dipartimento di Studi Aziendali e Quantitativi dell'Università degli Studi di Napoli Parthenope (Supporter)

The Department of Business and Quantitative Studies of the University of Naples Parthenope is the first department in Campania in the management area to have obtained recognition from the MIUR of the Department of Excellence. The teaching offer and research projects promoted by DISAQ combine the most innovative aspects of managerial sciences with the most advanced quantitative statistical-mathematical methodologies.
https://www.disaq.uniparthenope.it/

International Society for the Advancement of Financial Economics (ISAFE)

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.

Associazione dei docenti di economia degli intermediari e dei mercati finanziari e finanza d'impresa (ADEIMF)

ADEIMF is a scientific association that aims to contribute to the development and dissemination of knowledge of the economics of financial intermediaries and markets in Italy and abroad.

The Association's activities are inspired by the principles of democracy, equality, equal opportunities, participation of the Members as well as the principles of effectiveness, efficiency, transparency, fairness and economy of management.

For the achievement of the Association's purposes, the Association carries out, by way of example, the following activities

- the carrying out, promotion and dissemination of basic and applied scientific studies and research;
- the establishment of scholarships, research prizes and other ways of supporting scientific and teaching activities;
- the organisation and support of seminars, conferences and training activities
- the promotion and direct or indirect support of publishing activities
- the provision of services to Members and third parties;
- collaboration with companies, associations, entities and various bodies;
- the implementation of initiatives aimed at promoting financial education and awareness among the public on the Association's topics of study;
- any other initiative useful for the achievement of the Association's purposes.

https://www.adeimf.it/wp/

Guidelines for Online Participants

Session Participation Instruction

Conference dates: 08:30 – 22:00 (Rome time, GMT+2), Thursday, September 05, 2024
08:30 – 16:00 (Rome time, GMT+2), Friday, September 06, 2024

Conference venue (In-person participants): University of Catania, Department of Economics and Business (Dipartimento di Economia e Impresa), Palazzo delle Scienze, Corso Italia 55, Catania 95129, ITALY.

Platform (Online participants)**:** Virtual meeting via Zoom Webinar

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/discussion slides to us (icbfs.conference@gmail.com and icbfs2024@sciencesconf.org) before the presentation day as a backup plan. Please name your file as <Day>_<Session number>_<Name of Presenter>, e.g., Mon_A2.1_Sabri Boubaker

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 on your screen.

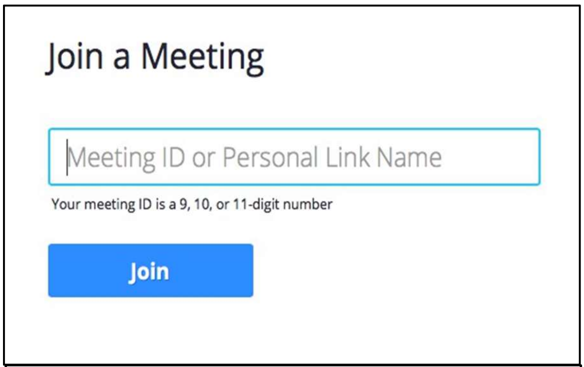
4. If you have any technical issues whilst you are presenting, please don't panic. We have a copy of your presentation as a backup, so we can load it up for you in the event of any technical difficulties.

5. Keep the presentation to time. In the normal session with 3 papers, each presentation is generally allowed 20 minutes. Each Q&A discussion is allowed up to 10 minutes. For the 4-paper sessions, each presentation is allowed for 15 minutes and the Q&A discussion is allowed up to 7 minutes.

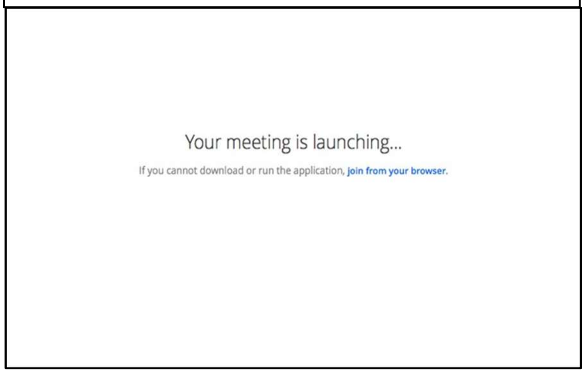
ZOOM: Instruction Manual for Program Participants

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

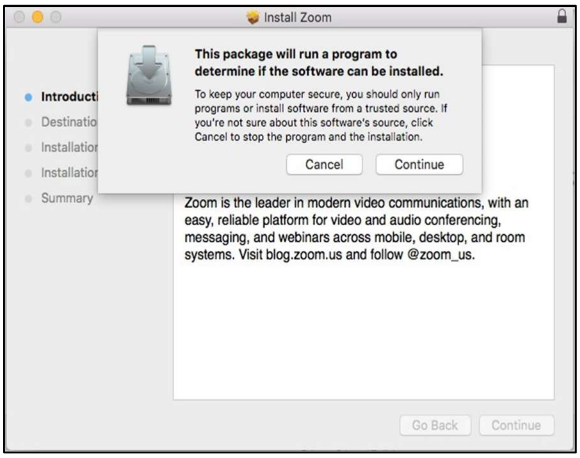
Joining a ZOOM Meeting & Download



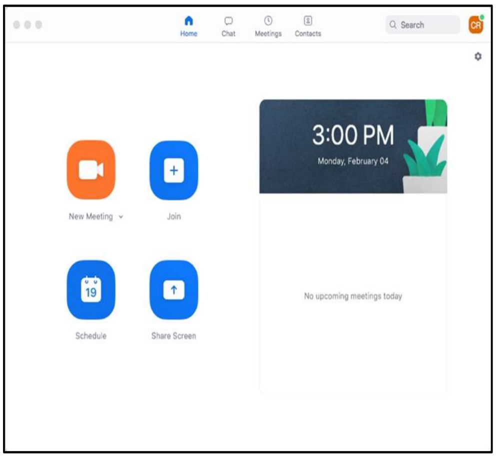
1. Go to https://zoom.us/join.
2. In the top right-hand corner, click "JOIN A MEETING".
3. The webpage will prompt you for your **Meeting ID or Personal Link Name**; type in the 9-11digit number that your instructor provided you with, and click "Join".



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

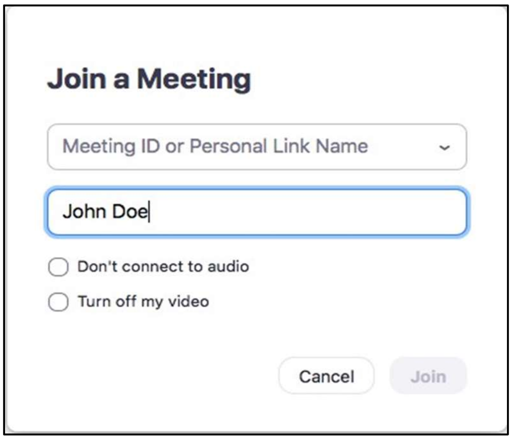


5. Depending on what browser you are using, you may have to install the program on your computer; find where this installation package went on your computer; It should be downloaded as "Zoom.pkg" or something similar.
6. Begin the download process (it will take a moment).



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).

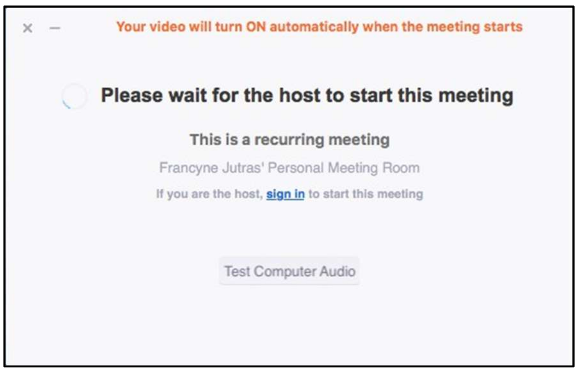
8. If you need to change the **language** of your application, find the application on your desktop, open it, then right-click the application; there should be an option to change the language in this drop-down menu.



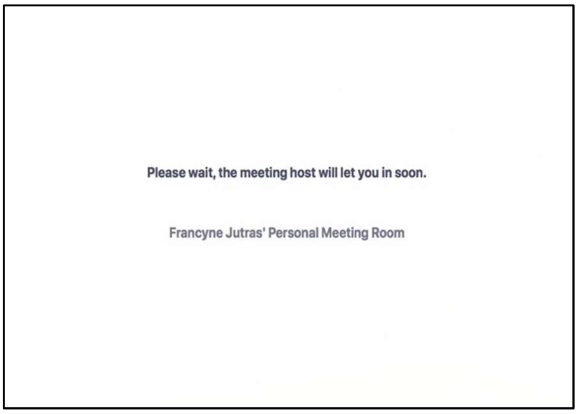
9. If you clicked the blue "Join" button, type in your instructor's Meeting ID again.
10. Provide a screen name for yourself (Please use
your first and last name so your instructor knows who you are).
11. If you do not want to join with audio or video, check those options before joining (you can add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



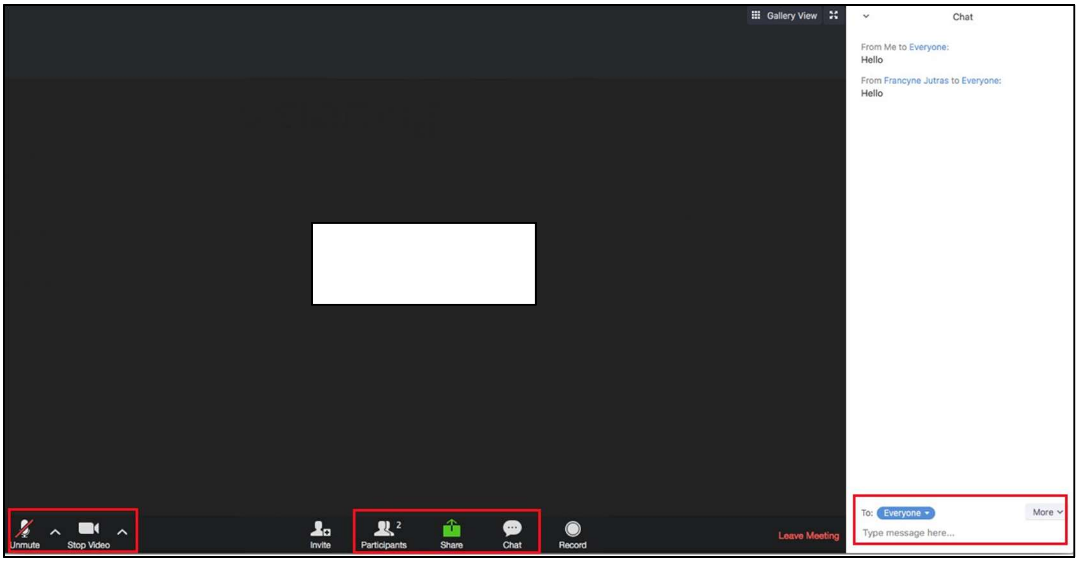
a) The first one you will see if you log in to your Host's meeting with the Meeting ID before the Host has started;



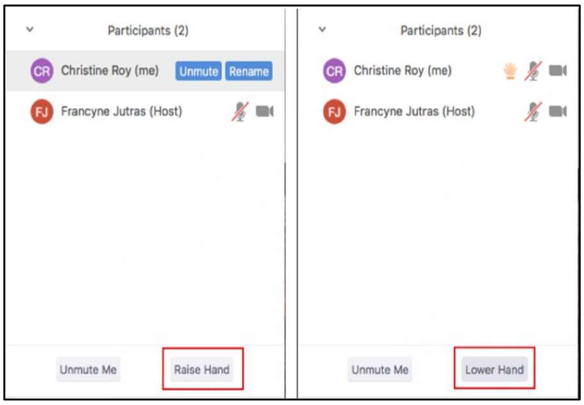
b) The second being the one you will see if you log in after the Host has arrived, but before they have provided you access.

Navigating ZOOM

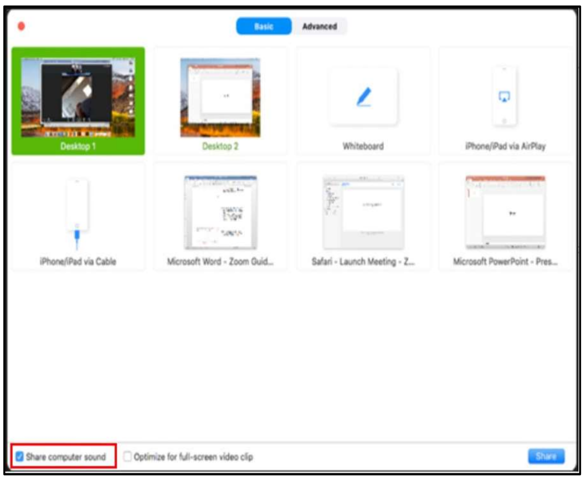
1. After joining a meeting, if you selected "Join with Computer Audio", your speakers and microphone should now be working.
2. You can mute or unmute your microphone or start your video connection using the icons in the bottom left (highlighted in RED in the bottom left-hand corner).
3. To see a list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



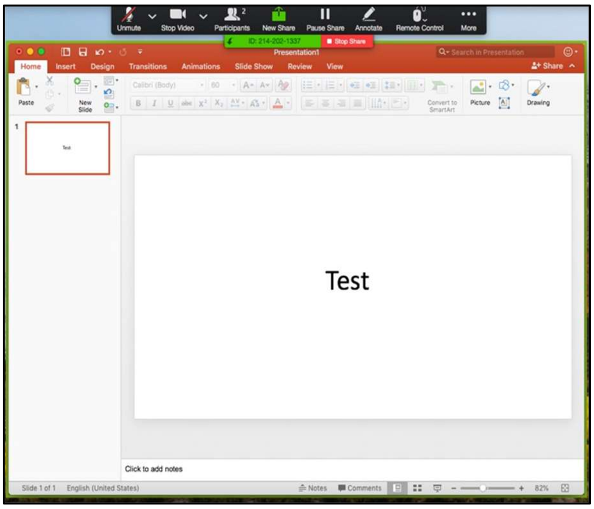
4. You can leave the meeting by clicking the red "Leave Meeting" link near the chat bar.



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.

Access to online sessions

Keynote Speaker, September 5th, 2024 **09:00-10:30**
Topic: Keynote Speech Steven Ongena (ICBFS 2024)
Time: Sep 5, 2024, 09:00 AM Paris

Join Zoom Meeting
https://zoom.us/j/97754234884?pwd=irwz8x5J9RgWSD8uDyyCXxx6SyyE6l.1

Meeting ID: 977 5423 4884
Passcode: 477429

Online session O1, September 5th, 2024 **15:30-17:30**
Topic: Session O1 (ICBFS 2024)
Time: Sep 5, 2024, 03:30 PM Rome time

Join Zoom Meeting
https://zoom.us/j/99256944073?pwd=12flTcIqb0KaCS12374OLcP1n7ax6f.1

Meeting ID: 992 5694 4073
Passcode: 910699

Online session O2, September 6th, 2024 **09:00-11:00**
Topic: Session O2 (ICBFS 2024)
Time: Sep 6, 2024 09:00 AM Rome time

Join Zoom Meeting
https://zoom.us/j/93480930392?pwd=R6CV9vwln4bUaSFWoMdmEZhbnJ9Hyh.1

Meeting ID: 934 8093 0392
Passcode: 755653

Online session O3, September 6th, 2024 **14:00-16:00**
Topic: My Meeting
Time: Sep 6, 2024 02:00 PM Rome time

Join Zoom Meeting
https://zoom.us/j/94930069449?pwd=KV8RIaDxHa4M9tncU7bRfnZXJbYtNq.1

Meeting ID: 949 3006 9449
Passcode: 989997

The 2024 ICBFS

International Conference in Banking and Financial Studies

University of Catania
Palazzo delle Scienze Corso Italia 55, 95129 - Catania (Italy)

EM NORMANDIE BUSINESS SCHOOL

DISAQ DIPARTIMENTO DI STUDI AZIENDALI E QUANTITATIVI

Dipartimento di Economia e Impresa

ISAFE International Society for the Advancement of Financial Economics