International Society for the Advancement of Financial Economics

Vietcombank

Ipag Business School

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24 - 26 OCTOBER
Hanoi, VIETNAM

VIETNAM SYMPOSIUM in Banking and Finance

https://vsbf2019.sciencesconf.org

Summary

Welcoming note

We are very pleased to welcome you to the fourth edition of the **Vietnam Symposium in Banking and Finance** (VSBF-2019, 24-26 October 2019, Hanoi), which is jointly organized by the **Association of Vietnamese Scientists and Experts (AVSE Global)**, the **Banking Academy of Vietnam**, and the **International Society for the Advancement of Financial Economics (ISAFE)** in partnership with the **IPAG Business School**. This event also benefits from the support of **Vietcombank** (Joint Stock Commercial Bank for Foreign Trade of Vietnam).

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

This year, we have the great privilege to welcome two outstanding Guest Keynote Speakers – **Professor Jarrad Harford from University of Washington** (United States) and **Professor Brian Lucey from University of Dublin** (Ireland) – two of the world's leading finance experts. We are grateful to them for their presence and kind support.

We also thank all the submitted authors, scientific committee members, attendees, and particularly conference participants who serve as presenters, session chairs, and discussants. Our special thanks go to Professor Jonathan Batten (Editor-in-Chief of *Journal of International Financial Markets, Institutions and Money*; Co-Editor of *Finance Research Letters*), Professor Brian Lucey (Editor-in-Chief of *International Review of Financial Analysis*; Co-Editor of *International Review of Economics and Finance*), Professors Lloyd Blenman and John Wingender (Editors of *Quarterly Journal of Accounting and Finance*), Professor Samuel Vigne (Co-Editor of *Finance Research Letters*), Professor John W. Goodell (Editor-in-Chief of *Research in International Business and Finance*), and Professor Igor Lončarski (Editor-in-Chief of *Risk Management*), who have kindly agreed to publish a selection of high-quality papers in their journals.

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

We wish you all an intellectually stimulating and productive conference as well as a chance to meet new colleagues, establish collaborations and enjoy the discovery of the city. We hope that you will have the occasion to exchange ideas and enjoy your stay in Hanoi!

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

Conference Scope

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

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

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

Keynote Speakers

Professor Jarrad Harford

Chair of the Department of Finance and Business Economics & Paul Pigott-PACCAR Professor in Business Administration, University of Washington, United States

Jarrad Harford is Professor of Finance, Chair of the Department of Finance and Business Economics and Paul Pigott-PACCAR Professor in Business Administration at the University of Washington's Foster School of Business. He received his PhD in Finance with a minor in Organizations and Markets from the University of Rochester. His primary research areas are mergers and acquisitions, corporate governance and payout policy. He has consistently published work on these topics in the top finance journals. Some of his most highly-cited work is on corporate cash policy and on merger waves. He currently serves as a Managing Editor of the *Journal of Financial and Quantitative Analysis* and as an Associate Editor for the *Journal of Financial Economics* and the *Journal of Corporate Finance*.

Professor Brian Lucey

Trinity College Dublin, University of Dublin, Ireland

Brian Lucey is Professor of International Finance and Commodities at the Trinity Business School, Trinity College Dublin. He has served as Director (Dean) of Research at the Trinity Business School and also served on the Board of Trinity College, including its Finance committee. He has previously worked at the Central Bank of Ireland as an economist and regulator and in the Department of Health and Children as a statistician. He is Editor in Chief of *International Review of Financial Analysis* since 2013 and Co-Editor-in-Chief of *Financial Research Letters* and *International Review of Economics and Finance* from 2019. He is also the Founding Editor of *Journal of Behavioral and Experimental Finance*.

He has published over 100 peer-reviewed articles in a wide range of areas including international finance, behavioral finance, commodities and econometrics. He has taught at all levels from undergraduate to executive, mainly in corporate finance and in quantitative methods.

Professor Lucey holds a BA in Economics from Dublin, a MA in International Trade and Politics from National University of Ireland and a PhD in Finance from Stirling.

Committees

CONFERENCE CO-CHAIRS

Sabri Boubaker
Professor of Finance
EM Normandie Business School
President, *ISAFE*

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

Thi Hoang Anh Pham
Associate Professor of
Economics and Finance
Director of Banking Research
Institute
Banking Academy of Vietnam

SCIENTIFIC COMMITTEE

Maria-Eleni K. Agoraki, University of Peloponnese, Greece; ***Emanuele Bajo***, University of Bologna, Italy; ***Tobias Basse***, Norddeutsche Landesbank (NORD/LB), Germany & Touro College Berlin, Germany; ***Stelios Bekiros***, European University Institute, Italy & AUEB, Greece; ***Fouad Ben Abdelaziz***, NEOMA Business School, France; ***Lloyd Blenman***, UNC Charlotte, United States; ***Khanh Lan Chu***, Banking Academy, Vietnam; ***Ephraim Clark***, Middlesex University London, United Kingdom; ***Henrik Cronqvist***, China Europe International Business School, China; ***Tung Lam Dang,*** Da Nang University of Economics, Vietnam; ***Van Trang Do,*** Banking Academy, Vietnam; ***Ngoc Thang Doan***, Banking Academy, Vietnam; ***Victoria V. Dobrynskaya***, National Research University Higher School of Economics, Russia; ***M. Shahid Ebrahim***, Durham University, United Kingdom; ***Sadok El Ghoul***, University of Alberta, Canada; ***Hisham Farag,*** University of Birmingham, United Kingdom; ***Bill Francis***, Rensselaer Polytechnic Institute, United States; ***John W. Goodell,*** University of Akron, United States; ***Stéphane Goutte***, Paris 8 University, France; ***Khaled Guesmi***, IPAG Business School, France; ***S. Ghon Rhee***, University of Hawaii Shidler College of Business, United States; ***Ambrus Kecskes***, York University, Canada; ***Georgios P. Kouretas***, Athens University of Economics and Business, Greece; ***Roy Kouwenberg***, Mahidol University, Thailand & Erasmus University Rotterdam, The Netherlands; ***Davide La Torre***, University of Milan, Italy; ***Van Son Lai***, Laval University, Canada; ***Kenneth M. Lehn***, University of Pittsburgh, United States; ***Ji-Chai Lin***, Hong Kong Polytechnic University, Hong Kong; ***Arvind Mahajan***, Texas A&M University, United States; ***Sushanta Mallick***, Queen Mary University of London, United Kingdom; ***Hatem Masri***, University of Bahrain, Bahrain; ***Bang Dang Nguyen***, University of Cambridge, United Kingdom; ***Nhut (Nick) Nguyen,*** Auckland University of Technology, New Zealand; ***Nikos Paltalidis***, Durham University, United Kingdom; ***Hoang Anh Pham***, Banking Academy, Vietnam; ***Ahmet Sensoy,*** Bilkent University, Turkey ***Charalampos Stasinakis***, University of Glasgow, United Kingdom; ***Ariane Szafarz***, Université Libre de Bruxelles, Belgium; ***Gary Tian***, Deakin University, Australia; ***Manh Ha Tran,*** Banking Academy, Vietnam; ***Sergey Tsyplakov,*** University of South Carolina, United States; ***Xuan Vinh Vo***, University of Economics HCMC, Vietnam; ***Hans-Jörg von Mettenheim***, IPAG Business School, France; ***Robert I. Webb***, University of Virginia, United States; ***John Wingender***, Creighton University, United States; ***Yildiray Yildirim***, Zicklin School of Business, Baruch College/CUNY, United States.

ORGANIZING COMMITTEE

Theu Dinh, *University of Paris Est, France & AVSE Global*
Phuong Le, *Paris Saclay University, France & AVSE Global*
Giang Nguyen, *Paris Saclay University, France*
Hai Nguyen, *AVSE Global Economic Policy Group*
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Mai Phuong Bui Doan, *Banking Academy, Vietnam*
Manh Hung Pham, *Banking Academy, Vietnam*
Huy Tung Tran, *Banking Academy, Vietnam*
Bich Ngoc Dao, *Banking Academy, Vietnam*

Associated Journals

Special Issue of **International Review of Financial Analysis** on the conference themes under the Guest Editorship of Sabri Boubaker (*South Champagne Business School & University of Paris Est, France*) and Duc Khuong Nguyen (*IPAG Business School, France*)

The Journal of Risk and Financial Management has a topical collection on "Green and Sustainable Finance", under the Guest Editorship of Prof. Sabri Boubaker (*South Champagne Business School*), Prof. Pierre Chollet (*University of Montpellier*), Prof. Souad Lajili-Jarjir (*Université Paris-Est*).

In consultation with the Editors-in-Chief of **Finance Research Letters**; **International Review of Economics & Finance**; **Journal of International Financial Markets, Institutions and Money**; **Quarterly Journal of Finance and Accounting**; **Research in International Business and Finance**; and **Risk Management**, authors of best conference papers will be invited to submit their papers to a regular issue of the Journals.

Conference Venue

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

Program Overview

Thursday, 24 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D1

09:00 – 09:30	Welcome and Opening Remarks	GREAT HAll
	Tin Nghi Bui, *President of Banking Academy, Vietnam* **Kim Anh Nguyen**, *Deputy Governor, State Bank of Vietnam* **Sabri Boubaker**, *Professor of Finance, EM Normandie Business School, France & President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen**, *Professor of Finance and Deputy Director for Research, IPAG Business School & President of AVSE Global, Conference Co-Chair* **Thi Hoang Anh Pham**, *Director of Banking Research Institute, Banking Academy of Vietnam & Conference Co-Chair*	

09:30 – 10:30 Keynote Address

09:30 – 10:30	Topic: Sell or Die: An Evaluation of the Afterlife of Failed IPOs	GREAT HAll

Professor Brian Lucey, *Trinity College Dublin, University of Dublin, Ireland*

10:30 – 11:00	Coffee Break	1st Floor, D1

11:00 – 12:30 Parallel Sessions (A)

11:00 – 12:30	A1: Corporate Finance I	Room 1
	Chair: Ambrus Kecskes, *York University, Canada*	

11:00 – 12:30	A2: Asset Pricing and Allocation I	Room 2
	Chair: Barbara Będowska-Sójka, *Poznań University of Economics and Business, Poland*	

11:00 – 12:30	A3: Banking Regulation and Financial Services I	Room 3
	Chair: Amine Tarazi, *University of Limoges & Institut Universitaire de France, France*	

11:00 – 12:30	A4: Emerging Markets Finance	Room 4
	Chair: Peter J. Morgan, *Asian Development Bank Institute, Japan*	

11:00 – 12:30	A5: Portfolio Allocation and Risk Management	Room 5
	Chair: Nikolas Topaloglou, *Athens University of Economics and Business, Greece & IPAG Business School, France*	

14:00 – 15:30 Parallel Sessions (B)

14:00 – 15:30	B1: Behavioral Finance I	Room 1
	Chair: Thomas Langer, *University of Muenster, Germany*	

14:00 – 15:30	B2: Asset Management	Room 2
	Chair: Masayasu Kanno, *Nihon University, Japan*	

14:00 – 15:30	B3: Capital Market Integration	Room 3
	Chair: Anthony J Makin, *Griffith University, Australia*	

14:00 – 15:30	B4: Economics of Banking in Asia	Room 4
	Chair: Cyril Dell'Eva, *University of Pretoria, South Africa*	

14:00 – 15:30	B5: Special Session Green and Sustainable Finance I	Room 5
	Chair: Pierre Chollet, *University of Montpellier, France* & Sabri Boubaker, *EM Normandie Business School, France* & Souad Lajili-Jarjir, *Université Paris-Est Créteil, France*	

15:30 – 16:00	Coffee Break	1st Floor, D1

16:00 – 17:30 Parallel Sessions (C)

16:00 – 17:30	C1: Corporate Governance I	Room 1
	Chair: Tuyet Nhung Vu, *University of Glasgow, UK*	

16:00 – 17:30	C2: Macro-financial Linkages	Room 2
	Chair: Juuso Vataja, *University of Vaasa, Finland*	

16:00 – 17:30	C3: Banking Regulation and Financial Services II	Room 3
	Chair: Xuan Hai Nguyen, *Economic Policy Group, AVSE Global*	

16:00 – 17:30	C4: Financial Markets, Institutions and Money I	Room 4
	Chair: Konstantinos Vergos, *Portsmouth Business School, UK*	

16:00 – 17:30	C5: Market Behavior and Efficiency	Room 5
	Chair: Junnosuke Shino, *Waseda University, Japan*	

19:30 – 22:00 GALA DINNER

LUC THUY RESTAURANT & LOUNGE

16 LE THAI TO STREET, DONG DA DISTRICT, HANOI

Friday, 25 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D3

09:00 – 10:30 Parallel Sessions (D)

09:00 – 10:30	D1: Corporate Governance II	Room 1
	Chair: Heba Abou-El-Sood, *Zayed University, UAE*	

09:00 – 10:30	D2: Asset Pricing and Allocation II	Room 2
	Chair: Julien Chevallier, *Université Paris 8 Vincennes-Saint-Denis & IPAG Business School, France*	

09:00 – 10:30	D3: Banking Regulation and Financial Services III	Room 3
	Chair: Hong Liu, *University of Aberdeen, UK*	

09:00 – 10:30	D4: Financial Markets, Institutions and Money II	Room 4
	Chair: Zili Zhuang, *Chinese University of Hong Kong, Hong Kong SAR China*	

09:00 – 10:30	D5: Special Session Green and Sustainable Finance II	Room 5
	Chair: Pierre Chollet, *University of Montpellier, France* & Sabri Boubaker, *EM Normandie Business School, France* & Souad Lajili-Jarjir, *Université Paris-Est Créteil, France*	

10:30 – 11:00	Coffee Break	1st Floor, D3

11:00 – 12:00 Keynote Address

11:00 – 12:00	Topic: Why Mergers Matter: The Broader Impact of Mergers	GREAT HALL

Professor Jarrad Harford, *Chair of the Department of Finance and Business Economics & Paul Pigott-PACCAR Professor in Business Administration, University of Washington, United States*

12:00 – 13:30	Lunch Break	Asian International Hotel

13:30 – 15:00 Special Workshops

13:30 – 15:00	Central Banking and Regulation	GREAT HALL
	Chair: Maria-Eleni Agoraki, *University of Peloponnese, Greece & IPAG Business School, France* & Georgios P. Kouretas, *Athens University of Business and Economics, Greece & IPAG Business School, France*	

13:30 – 15:00	FinTech and RegTech – The Reconceptualization of Finance and Regulation Technology	Room 6
	Chair: Hans-Jorg von Mettenheim, *IPAG Business School, France & Keynum Investments*	

15:30 – 16:00	Coffee Break	1st Floor, D1

16:00 – 17:30 Special Workshops

16:00 – 17:30	FinTech and RegTech – The Reconceptualization of Finance and Regulation Technology	Room 6
	Chair: Hans-Jorg von Mettenheim, *IPAG Business School, France & Keynum Investments*	

16:00 – 17:30 Parallel Sessions (E)

16:00 – 17:30	E1: Corporate Finance III	Room 1
	Chair: Cuong Nguyen, *Lincoln University, New Zealand & IPAG Business School, France*	

16:00 – 17:30	E2: Dynamics of International Capital Markets	Room 2
	Chair: Xiaohang Liu, *Beijing Normal University, China*	

16:00 – 17:30	E3: Banking Regulation and Financial Services IV	Room 3
	Chair: Georgios P. Kouretas, *Athens University of Economics and Business, Greece & IPAG Business School, France*	

16:00 – 17:30	E4: Financial Markets, Institutions and Money III	Room 4
	Chair: Md Akhtaruzzaman, *Australian Catholic University, Australia*	

16:00 – 17:30	E5: Corporate Finance II	Room 5
	Chair: Maria-Eleni Agoraki, *University of Peloponnese, Greece & IPAG Business School, France*	

Saturday, 26 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D3

09:00 – 10:30 Parallel Sessions (F)

09:00 – 10:30	F1: Financial Econometrics and Modeling Chair: Stelios Arvanitis, *Athens University of Economics and Business, Greece*	Room 1
09:00 – 10:30	F2: Asset Pricing and Allocation III Chair: Dinh-Tri Vo, *IPAG Business School, France*	Room 2
09:00 – 10:30	F3: Banking Regulation and Financial Services V Chair: Yannick Lucotte, *Université d'Orléans, France*	Room 3
09:00 – 10:30	F4: Entrepreneurial Finance Chair: Svatopluk Kapounek, *Mendel University in Brno, Czech Republic*	Room 4
09:00 – 10:30	F5: Behavioral Finance II Chair: Alper Kara, *University of Huddersfield, UK*	Room 5
10:30 – 11:00	Coffee Break	1st Floor, D3

11:00 – 12:30 Parallel Sessions (G)

11:00 – 12:30	G1: Behavioral Finance III Chair: Monomita Nandy, *Brunel University, UK*	Room 1
11:00 – 12:30	G2: Corporate Finance IV Chair: Yongmin Zhang, *Ningbo University, China*	Room 2
11:00 – 12:30	G3: Banking Regulation and Financial Services VI Chair: Aristeidis Samitas, *Zayed University, UAE*	Room 3
11:00 – 12:30	G4: Corporate Governance III Chair: Nam Hoai Tran, *University of Economics Ho Chi Minh City, Vietnam*	Room 4

Program in Detail

Thursday, 24 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D1
09:00 – 09:30	Welcome and Opening Remarks	GREAT HAll
	Tin Nghi Bui, *President of Banking Academy, Vietnam* **Kim Anh Nguyen**, *Deputy Governor, State Bank of Vietnam* **Sabri Boubaker**, *Professor of Finance, EM Normandie Business School, France & President of ISAFE, Conference Co-Chair* **Duc Khuong Nguyen**, *Professor of Finance and Deputy Director for Research, IPAG Business School & President of AVSE Global, Conference Co-Chair* **Thi Hoang Anh Pham**, *Director of Banking Research Institute, Banking Academy of Vietnam & Conference Co-Chair*	

09:30 – 10:30 Keynote Address

09:30 – 10:30	Topic: Sell or Die: An Evaluation of the Afterlife of Failed IPOs	GREAT HAll
	Professor Brian Lucey, *Trinity College Dublin, University of Dublin, Ireland*	

10:30 – 11:00	Coffee Break	1st Floor, D1

11:00 – 12:30 Parallel Sessions (A)

11:00 – 12:30	A1: Corporate Finance I	Room 1
	Chair: Ambrus Kecskes, *York University, Canada*	Discussant
	Do Female Directors Enhance R&D Performance? **Jamie Yixing Tong** (*University of Queensland, Australia*), Feida (Frank) Zhang (*University of Queensland, Australia*), Gaoguang (Stephen) Zhou (*Hong Kong Baptist University, Hong Kong SAR China*)	**James Carson** (*University of Georgia, United States*)
	Are Internal Capital Markets Smart: Evidence of Efficient Winner Picking	**Ambrus Kecskes** (*York University, Canada*)

	James Carson (*University of Georgia, United States*), Evan Eastman (*Florida State University, United States*), David Eckles (*University of Georgia, United States*), Joshua Frederick (*University of Georgia, United States*)	
	Labor Force Demographics and Corporate Innovation Francois Derrien (*HEC, France*), **Ambrus Kecskes** (*York University, Canada*), Phuong-Anh Nguyen (*York University, Canada*)	**Jamie Yixing Tong** (*University of Queensland, Australia*)

11:00 – 12:30	A2: Asset Pricing and Allocation I	Room 2
	Chair: Barbara Będowska-Sójka, *Poznań University of Economics and Business, Poland*	Discussant
	Sentiment and the US Dollar Excess Returns **Kari Heimonen** (*University of Jyväskylä, Finland*), Heikki Lehkonen (*University of Jyväskylä, Finland*), Kuntara Pukthuanthong (*University of Missouri-Columbia, United States*)	**Michael Dempsey** (*Ton Duc Thang University, Vietnam*)
	Stock Market Volatility: Friend or Foe? **Michael Dempsey** (*Ton Duc Thang University, Vietnam*), Abeyratna Gunasekarage (*Monash University, Australia*), Thanh Tan Truong (*RMIT University, Australia*)	**Barbara Będowska-Sójka** (*Poznań University of Economics and Business, Poland*)
	Do Liquidity Proxies Based on Daily Prices and Quotes Really Measure Liquidity? **Barbara Będowska-Sójka** (*Poznań University of Economics and Business, Poland*), Krzysztof Echaust (*Poznań University of Economics and Business, Poland*)	**Kari Heimonen** (*University of Jyväskylä, Finland*)

11:00 – 12:30	A3: Banking Regulation and Financial Services I	Room 3
	Chair: Amine Tarazi, *University of Limoges & Institut Universitaire de France, France*	Discussant
	Monetary Delegation and Time-inconsistency in a New Keynesian Two-country Model **Ngoc Thang Doan** (*Banking Academy of Vietnam, Vietnam*)	**Hong Tram Dang** (*Lille School Management Research Center, France*)
	Competition and Innovation in the Banking Industry Eric De Bodt (*Norvegian School of Economics, Norway & California Institute of Technology, United States*), **Hong Tram Dang** (*Lille School Management Research Center, France*), Frédéric Lobez (*Lille School Management Research Center, France*)	**Amine Tarazi** (*University of Limoges & Institut Universitaire de France, France*)
	Market Liquidity Shortage and Banks' Capital Structure and Balance Sheet Adjustments: Evidence from U.S. Commercial Banks	**Ngoc Thang Doan** (*Banking Academy of Vietnam, Vietnam*)

	Thierno Amadou Barry (*University of Limoges, France*), Alassane Diabaté (*University of Limoges, France*), **Amine Tarazi** (*University of Limoges & Institut Universitaire de France, France*)	

11:00 – 12:30	A4: Emerging Markets Finance	Room 4
	Chair: Peter J. Morgan, *Asian Development Bank Institute, Japan*	Discussant
	Accrual Anomaly in Emerging Markets **Khanh Hoang** (*Lincoln University, New Zealand & National Economics University, Vietnam*), Cuong Nguyen (*Lincoln University, New Zealand & IPAG Business School, France*), Christopher Gan (*Lincoln University, New Zealand*)	**Anh D. Pham** (*Banking Academy of Vietnam, Vietnam*)
	How Important are Political Connections for Financing Decisions in Post-Communist Economies? The Case of Vietnam Anh T. P. Hoang (*University of Economics Ho Chi Minh City, Vietnam*), **Anh D. Pham** (*Banking Academy of Vietnam, Vietnam*)	**Peter J. Morgan** (*Asian Development Bank Institute, Japan*)
	Determinants and Impacts of Financial Literacy in the Lao PDR **Peter J. Morgan** (*Asian Development Bank Institute, Japan*), Long Q. Trinh (*Asian Development Bank institute, Japan*)	**Khanh Hoang** (*Lincoln University, New Zealand & National Economics University, Vietnam*)

11:00 – 12:30	A5: Portfolio Allocation and Risk Management	Room 5
	Chair: Nikolas Topaloglou, *Athens University of Economics and Business, Greece & IPAG Business School, France*	Discussant
	Food Price Inflation at Risk Kris Boudt (*Ghent University, Belgium & Vrije Universiteit Amsterdam Netherlands*), **Hong Anh Luu** (*Vrije Universiteit Brussel, Belgium*)	**Juha Junttila** (*University of Jyväskylä, Finland*)
	Is Bitcoin a Better Portfolio Diversifier Than Gold? A Copula and Risk Analysis for China Kim Hung Pho (*Ton Duc Thang University, Ho Chi Minh City, Vietnam*), Sel Ly (*Ton Duc Thang University, Ho Chi Minh City, Vietnam*), Richard Lu (*Feng Chia University, Taichung, Taiwan*), **Thi Hong Van Hoang** (*Montpellier Business School, France*), Wing-Keung Wong (*Asia University, Taiwan*)	**Nikolas Topaloglou** (*Athens University of Economics and Business, Greece & IPAG Business School, France*)
	Financial Stress and the Basis in Energy Markets **Juha Junttila** (*University of Jyväskylä, Finland*), Maryam Ahmadi (*University of Milan-Bicocca, Italy*), Niaz Bashiri	**Hong Anh Luu** (*Vrije Universiteit Brussel, Belgium*)

	Behmiri (*University of Stavanger, Norway*), Matteo Manera (*University of Milan-Bicocca, Italy*)	
	Asset Classes and Portfolio Diversification: Evidence from Stochastic Spanning Approach Duc Khuong Nguyen (*IPAG Business School, France*), **Nikolas Topaloglou** (*Athens University of Economics and Business, Greece & IPAG Business School, France*), Thomas Walther (*Utrecht University, The Netherlands & Dresden University of Technology, Germany*)	**Thi Hong Van Hoang** (*Montpellier Business School, France*)

12:30 – 14:00	Lunch Break	Asian International Hotel

14:00 – 15:30 Parallel Sessions (B)

14:00 – 15:30	B1: Behavioral Finance I	Room 1
	Chair: Thomas Langer, *University of Muenster, Germany*	Discussant
	Decision-Making under Partial Information: A Smooth Approach **Illia Pasichnichenko** (*Heidelberg University, Germany*)	**Volker Seiler** (*Xián Jiaotong-Liverpool University, China*)
	On Skewness and Prudence **Volker Seiler** (*Xián Jiaotong-Liverpool University, China*), Markus Rudolf (*WHU - Otto Beisheim School of Management, Germany*), Michael Borß (*WHU - Otto Beisheim School of Management, Germany*)	**Thomas Langer** (*University of Muenster, Germany*)
	Don't Ignore Inflation Ignorance: An Experimental Analysis of the Degree of Money Illusion in Individual Decision Making Nicole Branger (*Finance Center Muenster, Germany*), Henning Cordes (*Finance Center Muenster, Germany*), **Thomas Langer** (*University of Muenster, Germany*)	**Illia Pasichnichenko** (*Heidelberg University, Germany*)

14:00 – 15:30	B2: Asset Management	Room 2
	Chair: Masayasu Kanno, *Nihon University, Japan*	Discussant
	A Five-Factor Cryptocurrency Pricing Model Xin Deng (*Shanghai University of Finance and Economics, China*), David Lee Kuo Chuen (*Singapore University of Social Sciences, Singapore*), **Yu Wang** (*Singapore University of Social Sciences, Singapore*), Xifang Zhang (*Shanghai University of Finance and Economics, China*)	**Amal Zaghouani** (*Institut des Hautes Etudes Commerciales IHEC, Tunisia*)

	Fine Wine as Hedge against Inflation: Cointegration, Time-Varying Cointegration – or no Cointegration at all? Tobias Basse (*Norddeutsche Landesbank & Touro College Berlin, Germany*), **Hans-Jörg von Mettenheim** (*IPAG Business School, France & Keynum Investments*), Duc Khuong Nguyen (*IPAG Business School, France*), Sandro Pittalis (*Hochschule Weserbergland, Germany*)	**Masayasu Kanno** (*Nihon University, Japan*)
	Evidence on Aggregate Volatility Risk Premiums for the French Stock Market **Amal Zaghouani** (*Institut des Hautes Etudes Commerciales IHEC, Tunisia*), Dorra Hmaied (*Institut des Hautes Etudes Commerciales IHEC, Tunisia*)	**Yu Wang** (*Singapore University of Social Sciences, Singapore*)
	Credit Risk Assessment in Real Estate investment Trusts: A Perspective on Blockholding and Lending Networks **Masayasu Kanno** (*Nihon University, Japan*)	**Hans-Jörg von Mettenheim** (*IPAG Business School, France & Keynum Investments*)

14:00 – 15:30	B3: Capital Market Integration	Room 3
	Chair: Anthony J Makin, *Griffith University, Australia*	Discussant
	Sovereign Risk and Bank Sector Integration: Evidence from the Eurozone **Jussi Leskinen** (*University of Jyväskylä, Finland*)	**Thi Hang Ngo** (*Banking Academy Vietnam, Vietnam*)
	Assessing Financial Market Integration in Vietnam: A Price-Based Approach Thi Xuan Anh Tran (*Banking Academy Vietnam, Vietnam*), **Thi Hang Ngo** (*Banking Academy Vietnam, Vietnam*), Thi Lam Anh Nguyen (*Banking Academy Vietnam, Vietnam*)	**Anthony J Makin** (*Griffith University, Australia*)
	New Estimates of International Capital Mobility for Select Advanced Economies **Anthony J Makin** (*Griffith University, Australia*), Shyama Ratnasiri (*Griffith University, Australia*)	**Jussi Leskinen** (*University of Jyväskylä, Finland*)

14:00 – 15:30	B4: Economics of Banking in Asia	Room 4
	Chair: Cyril Dell'Eva, *University of Pretoria, South Africa*	Discussant
	Loans from my Neighbours: East Asian Commercial Banks, Financial integration and Bank Default Risk **Dung Thi Thuy Nguyen** (*University of Otago, New Zealand*), Ivan Diaz-Rainey (*University of Otago, New Zealand*), Helen Roberts (*University of Otago, New*	**Hong Hanh Nguyen** (*Banking Academy of Vietnam, Vietnam*)

	Zealand), Minh Le (*University of Economics and Law, VNU-HCM, Vietnam*)	
	The Determinants of Correspondent Banking Relationships: A Case of Vietnam Ngoc Thang Doan (*Banking Academy of Vietnam, Vietnam*), **Hong Hanh Nguyen** (*Banking Academy of Vietnam, Vietnam*), Hop Chau Tran-Nguyen (*Banking Academy of Vietnam, Vietnam*), Thi Thanh Tan Nguyen (*Banking Academy of Vietnam, Vietnam*)	**Cyril Dell'Eva** (*University of Pretoria, South Africa*)
	The Role of Carry Trades on the Effectiveness of Japan's Quantitative Easing Thomas Chuffart (*University of Bourgogne Franche-Comté, France*), **Cyril Dell'Eva** (*University of Pretoria, South Africa*)	**Dung Thi Thuy Nguyen** (*University of Otago, New Zealand*)

14:00 – 15:30	B5: Special Session Green and Sustainable Finance I	Room 5
	Chair: Pierre Chollet, *University of Montpellier, France* & Sabri Boubaker, *EM Normandie Business School, France* & Souad Lajili-Jarjir, *Université Paris-Est Créteil, France*	Discussant
	Corporate Green Bonds and Value Creation: An International Evidence **Souad Lajili Jarjir** (*IRG, University Paris Est, Créteil, France*), Martin Lebelle (*IRG, University Paris Est Créteil, France*), Syrine Sassi (*South Champagne School of Management, Troyes, France*)	**Yoko Shirasu** (*Aoyama Gakuin University, Japan*)
	Long-term Financial Performance of Corporate Social Responsibility, External Governance from Foreign Stockholders, and Regional Stakeholders **Yoko Shirasu** (*Aoyama Gakuin University, Japan*), Hidetaka Kawakita (*Kyoto University, Japan*)	**Pierre Chollet** (*University of Montpellier, France*)
	Uncovering the Diversity of Impact Assessment: Evidence from French Investment Professionals Diane-Laure Arjaliès (*Western University, Canada*), **Pierre Chollet** (*University of Montpellier, France*), Patricia Crifo (*University Paris Nanterre Economix, Ecole Polytechnique Crest and CIRANO, France*), Nicolas Mottis (*École Polytechnique, France*)	**Souad Lajili Jarjir** (*IRG, University Paris Est, Créteil, France*)

15:30 – 16:00	Coffee Break	1st Floor, D1

16:00 – 17:30 Parallel Sessions (C)

16:00 – 17:30	C1: Corporate Governance I	Room 1
	Chair: Tuyet Nhung Vu, *University of Glasgow, UK*	Discussant
	Fraudulent Financial Reporting in China: Evidence from Renaming Behavior Yefeng Zhang (*Queensland University of Technology, Australia*), **Yuyu Zhang** (*Queensland University of Technology, Australia*), Troy Yao (*Queensland University of Technology, Australia*)	**Zeineb Ouni** (*University of Quebec at Trois-Rivieres, Canada*)
	The Sovereign Wealth Funds Risk Premium: Evidence from the Cost of Debt Financing Hatem Ghouma (*St. Francis Xavier University, Canada*), **Zeineb Ouni** (*University of Quebec at Trois-Rivieres, Canada*)	**Tuyet Nhung Vu** (*University of Glasgow, UK*)
	Why Did Bank CEOs Forgo Their Bonus during the Financial Crisis? **Tuyet Nhung Vu** (*University of Glasgow, UK*), Hong Liu (*University of Aberdeen, UK*), Michael (Minye) Tang (*New York University, United States*)	**Yuyu Zhang** (*Queensland University of Technology, Australia*)

16:00 – 17:30	C2: Macro-financial Linkages	Room 2
	Chair: Juuso Vataja, *University of Vaasa, Finland*	Discussant
	Inflation Targeting and Implications of Oil Shocks for Inflation Expectations in Oil Importing and Exporting Economies: Evidence from Three Nordic Kingdoms **Muhammad Ali Nasir** (*Leeds Beckett University, UK*), Toan Luu Huynh (*WHU - Otto Beisheim School of Management, Germany*), Larisa Yarovaya (*University of Southampton, UK*)	**Vo Phuong Mai Le** (*Cardiff Business School, UK*)
	Optimal Monetary Policy in a DSGE Model of China's Economy with a Shadow Banking Sector **Vo Phuong Mai Le** (*Cardiff Business School, UK*), Kent Matthews (*Cardiff Business School, UK*), David Meenagh (*Cardiff Business School, UK*), Patrick Minford (*Cardiff Business School, UK*), Zhiguo Xiao (*Fudan university China*)	**Juuso Vataja** (*University of Vaasa, Finland*)
	Time-Varying Predictive Content of Financial Variables in Forecasting GDP Growth in the G-7 Countries **Juuso Vataja** (*University of Vaasa, Finland*), Petri Kuosmanen (*University of Vaasa, Finland*)	**Muhammad Ali Nasir** (*Leeds Becket University, UK*)

16:00 – 17:30	C3: Banking Regulation and Financial Services II	Room 3
	Chair: Xuan Hai Nguyen, *Economic Policy Group, AVSE Global*	Discussant
	Forecasting Value at Risk and Expected Shortfall with Mixed Data Sampling **Trung H. Le** (*Banking Academy Vietnam, Vietnam & University of East Anglia, UK*)	**Viet Do** (*Monash University, Australia*)
	Is Drought Risk Priced in Private Debt Contracts? **Viet Do** (*Monash University, Australia*), Thu Ha Nguyen (*Monash University, Australia*), Cameron Truong (*Monash University, Australia*), Tram Vu (*Monash University, Australia*)	**Yougui Wang** (*Beijing Normal University, China*)
	Credit Defaults and Credit Supply Under the Liquidity Coverage Ratio Boyao Li (*China University of Political Science and Law, China*), **Yougui Wang** (*Beijing Normal University, China*)	**Trung H. Le** (*Banking Academy Vietnam, Vietnam & University of East Anglia, UK*)

16:00 – 17:30	C4: Financial Markets, Institutions and Money I	Room 4
	Chair: Konstantinos Vergos, *Portsmouth Business School, UK*	Discussant
	Financial Structure and Economic Growth Nexus Revisited **Khanh Lan Chu** (*Banking Academy, Vietnam*)	**Ammad Ahmed** (*Zayed University, UAE*)
	Religiosity, Borrower Gender and Loan Losses in Microfinance institutions: A Global Evidence Ernest Gyapong (*Massey University, New Zealand*), Daniel Gyimah (*University of Gloucestershire, UK*), **Ammad Ahmed** (*Zayed University, UAE*)	**Konstantinos Vergos** (*Portsmouth Business School, UK*)
	Can New Evidence from Fintech Companies Challenge Institutional Theories? **Konstantinos Vergos** (*Portsmouth Business School, UK*), Agnieszka Huterska (*Nicolaus Copernicus University, Poland*), Michał Polasik (*Nicolaus Copernicus University, Poland*), Rehan Iftikhar (*Dublin City University, Ireland*)	**Khanh Lan Chu** (*Banking Academy, Vietnam*)

16:00 – 17:30	C5: Market Behavior and Efficiency	Room 5
	Chair: Junnosuke Shino, *Waseda University, Japan*	Discussant
	Data Snooping Bias in Tests of the Relative Performance of Multiple Forecasting Models **Dan Gabriel Anghel** (*Romanian Academy & Bucharest University of Economic Studies, Romania*)	**Thai-Ha Le** (*IPAG Business School, France & RMIT University Vietnam Campus, Vietnam*)

	Multiple Duration Analyses of Dynamic Limit Order Placement Strategies and Aggressiveness in a Low-Latency Market Environment Anh Tu Le (*University of New South Wales, Australia*), **Thai-Ha Le** (*IPAG Business School, France & RMIT University Vietnam Campus, Vietnam*), Wai-Man Liu (*Australian National University, Australia*), Kingsley Y. Fong (*University of New South Wales, Australia*)	**Junnosuke Shino** (*Waseda University, Japan*)
	Stock Lending Market and the BOJ's ETF Purchasing Program: Micro-Evidence from ETF Balance Sheet Data and Equity Repo Trading Data **Junnosuke Shino** (*Waseda University, Japan*), Kou Maeda (*Tokio Marine & Nichido Fire insurance, Japan*)	**Dan Gabriel Anghel** (*Romanian Academy & Bucharest University of Economic Studies, Romania*)

19:30 – 22:00 GALA DINNER
LUC THUY RESTAURANT & LOUNGE
16 LE THAI TO STREET, DONG DA DISTRICT, HANOI

Friday, 25 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D3

09:00 – 10:30 Parallel Sessions (D)

09:00 – 10:30	D1: Corporate Governance II	Room 1
	Chair: Heba Abou-El-Sood, *Zayed University, UAE*	Discussant
	The Effect of Academic Directors on the Agency Costs: An Empirical Study of Listed Firms in China **Haroon ur Rashid Khan** (*Nanjing University of information Sciences and Technology, China*), Waqas Bin Khidmat (*Dongbei University of Finance and Economics, PR China*)	**Nhung Nguyen** (*ESCP Europe, France*)
	Board Gender Diversity and Acquisition Choices **Syed Shams** (*University of Southern Queensland, Australia*)	**Heba Abou-El-Sood** (*Zayed University, UAE*)
	Do Differences in Directors Make A Difference? Evidence from a Developing Country Christophe Moussu (*ESCP Europe, France*), **Nhung Nguyen** (*ESCP Europe, France*)	**Haroon ur Rashid Khan** (*Nanjing University of information Sciences and Technology, China*)
	Board Gender Diversity, Power, and Bank Risk Taking **Heba Abou-El-Sood** (*Zayed University, UAE*)	**Syed Shams** (*University of Southern Queensland, Australia*)

09:00 – 10:30	D2: Asset Pricing and Allocation II	Room 2
	Chair: Julien Chevallier, *Université Paris 8 Vincennes-Saint-Denis & IPAG Business School, France*	Discussant
	Affine Stock and Bond Pricing, Surplus Consumption and Inflation News **Ka Wai Terence Fung** (*City University of New York, United States*), Jun Lou (*City University of New York, United States*), Jonas J. Nazimoff Shaende (*Fiscal Policy institute, United States*), Tat Wing Wong (*The Chinese University of Hong, Kong Hong Kong SAR China*)	**Adam Zaremba** (*Poznan University of Economics and Business, Poland & University of Dubai, UAE*)
	Herding for Profits: Market Breadth and the Cross-Section of Global Equity Returns **Adam Zaremba** (*Poznan University of Economics and Business, Poland & University of Dubai, UAE*), Andreas Karathanasopoulos (*University of Dubai, UAE*), Mateusz Mikutowski (*Poznan University of Economics and Business, Poland*)	**Julien Chevallier** (*Université Paris 8 Vincennes-Saint-Denis & IPAG Business School, France*)

	Portfolio Allocation across Variance Risk Premia **Julien Chevallier** (*Université Paris 8 Vincennes-Saint-Denis & IPAG Business School, France*), Dinh-Tri Vo (*IPAG Business School, France & University of Economics Ho Chi Minh City, Vietnam*)	**Ka Wai Terence Fung** (*City University of New York, United States*)

09:00 – 10:30	D3: Banking Regulation and Financial Services III	Room 3
	Chair: Hong Liu, *University of Aberdeen, UK*	Discussant
	Systemic Risk in the Scandinavian Banking Sector Gazi Salah Uddin (*Linköping University, Sweden*), Md Lutfur Rahman (*University of Newcastle, Australia*), Axel Hedström (*Linköping University, Sweden*), **Bo Sjo** (*Linköping University, Sweden*)	**Xiaoyun Xing** (*Beijing Normal University, China & Center for Polymer Studies, Boston University, United States*)
	Risk of Window Dressing: Quarter-End Spikes in the Japanese Yen Libor-OIS Spread **Jiayue Zhang** (*Hong Kong Monetary Authority, Hong Kong SAR China*), Alfred Wong (*Hong Kong Monetary Authority, Hong Kong SAR China*), Mayu Kikuchi (*Wellesley College, United States*)	**Hong Liu** (*University of Aberdeen, UK*)
	Money Creation under Multiple Regulations in the Presence of an Interbank Market **Xiaoyun Xing** (*Beijing Normal University, China & Center for Polymer Studies, Boston University, United States*), Yougui Wang (*Beijing Normal University, China*), H. Eugene Stanley (*Boston University, United States*)	**Bo Sjo** (*Linköping University, Sweden*)
	Bank Regulation and Systemic Risk: Cross Country Evidence Lei Chen (*University of Sheffield, UK*), Hui Li (*Loughborough University, UK*), **Hong Liu** (*University of Aberdeen, UK*), Yue Zhou (*University of Glasgow, UK*)	**Jiayue Zhang** (*Hong Kong Monetary Authority, Hong Kong SAR China*)

09:00 – 10:30	D4: Financial Markets, Institutions and Money II	Room 4
	Chair: Zili Zhuang, *Chinese University of Hong Kong, Hong Kong SAR China*	Discussant
	Financial Sector Foreign Aid and Financial Intermediation **Anna Agapova** (*Florida Atlantic University, United States*), Sharmila Vishwasrao (*Florida Atlantic University, United States*)	**Abdul Ghafoor** (*Monash University Malaysia, Malaysia*)
	Short Sellers' Fraud Allegations, Chinese Reverse Mergers, and Simultaneity of Corporate Financial Trilogy **Abdul Ghafoor** (*Monash University Malaysia, Malaysia*), Duc Khuong Nguyen (*IPAG Business School, France*)	**Zili Zhuang** (*Chinese University of Hong Kong, Hong Kong SAR China*)

	Operating Leverage and Bond Yield Spreads: Differentiating between Cash and Accrual Operating Leverage Ting-Kai Chou (*National Cheng Kung University, Taiwan*), Henock Louis (*Penn State University, United States*), **Zili Zhuang** (*Chinese University of Hong Kong, Hong Kong SAR China*)	**Anna Agapova** (*Florida Atlantic University, United States*)

09:00 – 10:30	D5: Special Session Green and Sustainable Finance II	Room 5
	Chair: Pierre Chollet, *University of Montpellier, France* & Sabri Boubaker, *EM Normandie Business School, France* & Souad Lajili-Jarjir, *Université Paris-Est Créteil, France*	Discussant
	The Effects of Environmental Policies on the Singapore Stock Exchange **Huy Pham** (*RMIT University, Australia*), Van Nguyen (*Ton Duc Thang University, Vietnam*), Vikash Ramiah (*University of Wollongong, United Arab Emirates*), Priyantha Mudalige (*Curtin University, Australia*), Imad Moosa (*RMIT University, Australia*)	**Van Ha Nguyen** (*Foreign Trade University, Vietnam*)
	Carbon Disclosure, Carbon Performance and Financial Performance: International Evidence Abubakar Siddique (*United Arab Emirates University, UAE*), Afzalur Rashid (*University of Southern Queensland, Australia*), **Md Akhtaruzzaman** (*Australian Catholic University, Australia*)	**Monomita Nandy** (*Brunel University, UK*)
	Does Corporate Social Responsibility Enhance Financial Performance? Evidence from Australia **Van Ha Nguyen** (*Foreign Trade University, Vietnam*), Frank W Agbola (*University of Newcastle, Australia*), Bobae Choi (*University of Newcastle, Australia*)	**Huy Pham** (*RMIT University, Australia*)
	Impact of Directors' Networks on Corporate Social Responsibility **Monomita Nandy** (*Brunel University, UK*), Suman Lodh (*Middlesex University, UK*), Jaskaran Kaur (*Brunel University, UK*), Jin Wang (*Brunel University, UK*)	**Md Akhtaruzzaman** (*Australian Catholic University, Australia*)

10:30 – 11:00	Coffee Break	1st Floor, D3

11:00 – 12:00 Keynote Address

11:00 – 12:00	Topic: Why Mergers Matter: The Broader Impact of Mergers	GREAT HALL
	Professor Jarrad Harford, *Chair of the Department of Finance and Business Economics & Paul Pigott-PACCAR Professor in Business Administration, University of Washington, United States*	

12:00 – 13:30	Lunch Break	Asian International Hotel

13:30 – 15:00 Special Workshops

13:30 – 15:00	Central Banking and Regulation	GREAT HALL
	Chair: Maria-Eleni Agoraki, *University of Peloponnese, Greece & IPAG Business School, France* & Georgios P. Kouretas, *Athens University of Business and Economics, Greece & IPAG Business School, France*	Discussant
	Does the Apple Fall far from the Tree? Banks' Performance in Emerging Markets **Malgorzata Iwanicz-Drozdowska** (*Polish Financial Supervision Authority & Warsaw School of Economics, Poland*), Bartosz Witkowski (*Warsaw School of Economics, Poland*)	
	Measuring the Deadly Embrace: Systemic and Sovereign Risks **Francisco Nadal De Simone** (*Luxembourg School of Finance & Sacred Heart University, Luxembourg*)	
	Anomaly Detection in RTGS Systems: Performance Comparisons Between Shallow and Deep Neural Networks Luca Arciero (*Bank of Italy, Italy*), **Giuseppe Bruno** (*Bank of Italy, Italy*), Sabina Marchetti (*Bank of Italy, Italy*), Juri Marcucci (*Bank of Italy, Italy*)	
	International Spillover of US Monetary Policy through Bank Lending: Evidence from Bank-level Data **Seungyoon Lee** (*Bank of Korea, South Korea*)	

13:30 – 15:00	FinTech and RegTech – The Reconceptualization of Finance and Regulation Technology	Room 6
	Chair: Hans-Jorg von Mettenheim, *IPAG Business School, France & Keynum Investments*	Discussant
	Vietnam Fintech Development and Innovations in Financial Services **Duong Nguyen**, *Chairman at EY Consulting Vietnam, ASEAN Financial Services Business Acceleration, Financial Services Leader - Vietnam, Laos and Cambodia at EY & Vice-President of Vietnam Fintech Club*	
	Fintech, Regulations and Clever Strategies for Inspiring Customers: Germain and European Experiences **Ron Große**, *Director Private Banking, Leiter Private Banking Braunschweig bei NORD/LB*	
	Applied Algorithmic Trading **Hans-Jorg von Mettenheim**, *IPAG Business School, France & Keynum Investments*	

15:30 – 16:00	Coffee Break	1st Floor, D1

16:00 – 17:30 Special Workshops

16:00 – 17:30	FinTech and RegTech – The Reconceptualization of Finance and Regulation Technology	Room 6
	Chair: Hans-Jorg von Mettenheim, *IPAG Business School, France & Keynum Investments*	Discussant
	Vietnam Fintech Development and Innovations in Financial Services **Duong Nguyen**, *Chairman at EY Consulting Vietnam, ASEAN Financial Services Business Acceleration, Financial Services Leader - Vietnam, Laos and Cambodia at EY & Vice-President of Vietnam Fintech Club*	
	Fintech, Regulations and Clever Strategies for Inspiring Customers: Germain and European Experiences **Ron Große**, *Director Private Banking, Leiter Private Banking Braunschweig bei NORD/LB*	
	Applied Algorithmic Trading **Hans-Jorg von Mettenheim**, *IPAG Business School, France & Keynum Investments*	

16:00 – 17:30 Parallel Sessions (E)

16:00 – 17:30	E1: Corporate Finance III	Room 1
	Chair: Cuong Nguyen, *Lincoln University, New Zealand & IPAG Business School, France*	Discussant
	Do Family Ties Affect Family Firm Performance? Evidence from East Asia **Hong Nhung Le** (*International University - Vietnam International University, Vietnam & University of Strasbourg, France*)	**Truong-Giang Nguyen** (*RMIT University, Australia*)
	Does Stock Liquidity Enhance or Impede Dividend Payout? Evidence from Australian Market **Truong-Giang Nguyen** (*RMIT University, Australia*)	**Cuong Nguyen** (*Lincoln University, New Zealand & IPAG Business School, France*)
	How Does Policy Uncertainty Affect Corporate Diversification? Khanh Hoang (*National Economics University, Vietnam*), **Cuong Nguyen** (*Lincoln University, New Zealand & IPAG Business School, France*), Hailiang Zhang (*Kunming University of Science and Technology, China*)	**Hong Nhung Le** (*International University - Vietnam International University, Vietnam & University of Strasbourg, France*)

16:00 – 17:30	E2: Dynamics of International Capital Markets	Room 2
	Chair: Xiaohang Liu, *Beijing Normal University, China*	Discussant
	Risk Management in Clearing Corporations after Adoption of PFMI: A Cross-Country Comparison Jayanth R. Varma (*Indian Institute of Management Ahmedabad, India*), **Vineet Virmani** (*Indian Institute of Management Ahmedabad, India*)	**Manh Ha Tran** (*Banking Academy of Vietnam, Vietnam*)
	Political Uncertainty and Market Volatility: Evidences from South-East Asia Countries Mai Ngoc Tran (*Banking Academy of Vietnam, Vietnam*), **Manh Ha Tran** (*Banking Academy of Vietnam, Vietnam*), David Dickinson (*University of Birmingham, UK*)	**Xiaohang Liu** (*Beijing Normal University, China*)
	The Gap-Filling Phenomena in the Stock Markets **Xiaohang Liu** (*Beijing Normal University, China*), Yan Wang (*University of California, United States*), Ziyan Jiang (*Beijing Normal University, China*), Qinghua Chen (*Beijing Normal University, China*), Honggang Li (*Beijing Normal University, China*)	**Vineet Virmani** (*Indian Institute of Management Ahmedabad, India*)

16:00 – 17:30	E3: Banking Regulation and Financial Services IV	Room 3
	Chair: Georgios P. Kouretas, *Athens University of Economics and Business, Greece & IPAG Business School, France*	Discussant
	Does Cyber Tech Spending Matter for Bank Stability? Md Hamid Uddin (*Taylor's University, Malaysia*), Sabur Mollah (*University of Sheffield, UK*), **Md Hakim Ali** (*Taylor's University, Malaysia*)	**Maria Neves** (*Polytechnic institute of Coimbra-Coimbra Business School & University of Tras-os-Montes and Alto Douro, Portugal*)
	European Bank's Performance and Efficiency **Maria Neves** (*Polytechnic institute of Coimbra-Coimbra Business School & University of Tras-os-Montes and Alto Douro, Portugal*), Maria Gouveia (*Polytechnic Institute of Coimbra-Coimbra Business School, Portugal*), Catarina Proença (*Polytechnic Institute of Coimbra-Coimbra Business School, Portugal*)	**Georgios P. Kouretas** (*Athens University of Economics and Business, Greece & IPAG Business School, France*)
	Bank IPOs, Political Connections and (De)Regulations Maria-Eleni Agoraki (*University of Peloponnese, Greece & IPAG Business School, France*), Dimitrios Gounopoulos (*University of Bath, UK*), **Georgios P. Kouretas** (*Athens University of Economics and Business, Greece & IPAG Business School, France*)	**Md Hakim Ali** (*Taylor's University, Malaysia*)

16:00 – 17:30	E4: Financial Markets, Institutions and Money III	Room 4
	Chair: Md Akhtaruzzaman, *Australian Catholic University, Australia*	Discussant
	The Relationship Between Exchange Rate and Real interest Rate Differentials: Evidence from Inflation Targeting Countries **Mulatu Zerihun** (*Tshwane University of Technology, South Africa*), Martin Breitenbach (*University of Pretoria, South Africa*)	**Zhibai Zhang** (*Nanjing University of Finance and Economics, China*)
	Is Absolute Purchasing Power Parity for Spain Special? **Zhibai Zhang** (*Nanjing University of Finance and Economics, China*), Zhicun Bian (*Nanjing University of Finance and Economics, China*), Minghua Zhan (*Guangdong University of Foreign Studies, China*)	**Xuan-Hoa Nghiem** (*School of Economics, Finance and Marketing - RMIT University, Australia*)
	The Relationship Between Macroeconomic Variables and Banks' Stock Returns in Vietnam **Xuan-Hoa Nghiem** (*School of Economics, Finance and Marketing - RMIT University, Australia*)	**Mulatu Zerihun** (*Tshwane University of Technology, South Africa*)

16:00 – 17:30	E5: Corporate Finance II	Room 5
	Chair: Maria-Eleni Agoraki, *University of Peloponnese, Greece & IPAG Business School, France*	Discussant
	Financial Statement Comparability and Earnings Management in Frontier Markets **Wil Martens** (*RMIT University, Vietnam*), Prem Yapa (*RMIT University, Australia*), Maryam Safari ((*RMIT University, Australia*)	**Yukti Bajaj** (*Indian Institute of Technology Delhi, India*)
	The Moderating Effect of Economic Conditions on the Relationship between Auditor's Independence and Non-Audit Fees: Evidence from Australia Ammad Ahmed (*Zayed University, UAE*), **Sumit Dhull** (*University of Technology and Education Ho Chi Minh City, Vietnam*)	**Maria-Eleni Agoraki** (*University of Peloponnese, Greece & IPAG Business School, France*)
	Capital Structure Speed of Adjustment: Evidence from Emerging Economies **Yukti Bajaj** (*Indian Institute of Technology Delhi, India*), Smita Kashiramka (Indian *Institute of Technology Delhi, India*), Shveta Singh (*Indian Institute of Technology Delhi, India*)	**Wil Martens** (*RMIT University, Vietnam*)
	The Impact of Credit Rating on the IPOs of U.S. Banks **Maria-Eleni Agoraki** (*University of Peloponnese, Greece & IPAG Business School, France*), Dimitrios Gounopoulos (*University of Bath, UK*), Georgios P. Kouretas (*Athens University of Economics and Business, Greece & IPAG Business School, France*)	**Sumit Dhull** (*University of Technology and Education Ho Chi Minh City, Vietnam*)

Saturday, 26 October 2019

08:00 – 09:00	Registration & Coffee	1st Floor, D3

09:00 – 10:30 Parallel Sessions (F)

09:00 – 10:30	F1: Financial Econometrics and Modeling	Room 1
	Chair: Stelios Arvanitis, *Athens University of Economics and Business, Greece*	Discussant
	Accounting for the Non-Linearity in the Relationship between Environmental Corporate Social Responsibility and Financial Performance using PSTR Model Béchir Ben Lahouel (*IPAG Business School, France*), **Younes Ben Zaied** (*EDC Paris Business School, France*)	**Vineet Virmani** (*Indian Institute of Management Ahmedabad, India*)
	Is China a Source of Financial Contagion? **Md Akhtaruzzaman** (*Australian Catholic University, Australia*), Shamima Ahmed (*Western Sydney University, Australia*), Syed Shams (*University Southern Queensland, Australia*), Waleed Abdel-Qader (*Australian Catholic University, Australia*)	**Stelios Arvanitis** (*Athens University of Economics and Business, Greece*)
	Modeling Short-Term Rate in a Soft Corridor Sudarshan Kumar (*Indian Institute of Management Ahmedabad, India*), **Vineet Virmani** (*Indian Institute of Management Ahmedabad, India*)	**Younes Ben Zaied** (*EDC Paris Business School, France*)
	Nonparametric Tests for Superior Predictive Ability Thierry Post (*Nazarbayev University, Kazakhstan*), Valerio Potì (*University College Dublin, Ireland*), Selcuk Karabati (*Koç University, Turkey*), **Stelios Arvanitis** (*Athens University of Economics and Business, Greece*)	**Md Akhtaruzzaman** (*Australian Catholic University, Australia*)

09:00 – 10:30	F2: Asset Pricing and Allocation III	Room 2
	Chair: Dinh-Tri Vo, *IPAG Business School, France*	Discussant
	Venture Capital Networks in Southeast Asia: Network Characteristics and Cohesive Subgroups **Natdanai Aleenajitpong** (*Thammasat University, Thailand*), Arnat Leemakdej (*Thammasat University, Thailand*)	**Liu Yu** (*Sun Yat-Sen University, China*)
	Would the Mutual Fund Rating that Evaluates Managers Skill Be Better? Chen Yugang (*Sun Yat-Sen University, China*), **Liu Yu** (*Sun Yat-Sen University, China*)	**Khairul Zharif Zaharudin** (*Massey University, New Zealand & Universiti Utara Malaysia, Malaysia*)

	High-frequency Trading and Expected Volatility: Evidence from Australia **Khairul Zharif Zaharudin** (*Massey University, New Zealand & Universiti Utara Malaysia, Malaysia*), Martin R. Young (*Massey University, New Zealand*), Wei-Huei Hsu (*Massey University, New Zealand*)	**Natdanai Aleenajitpong** (*Thammasat University, Thailand*)

09:00 – 10:30	F3: Banking Regulation and Financial Services V	Room 3
	Chair: Yannick Lucotte, *Université d'Orléans LEO-CNRS, France*	Discussant
	Does Corporate Governance Really Matter for Bank Efficiency? Evidence from ASEAN countries **Thi Lam Anh Nguyen** (*Banking Academy of Vietnam, Vietnam*)	**Małgorzata Pawłowska** (*Warsaw School of Economics, Poland*)
	The Market Structure and Credit Growth in the EU Banking Sectors **Małgorzata Pawłowska** (*Warsaw School of Economics, Poland*), Georgios P. Kouretas (*Athens University of Economics and Business, Greece*), Grzegorz Szafrański (*Kozminski University, Poland*)	**Yannick Lucotte** (*Université d'Orléans LEO-CNRS, France*)
	Macroprudential and Monetary Policies: The Need to Dance the Tango in Harmony José David Garcia Revelo (*Université d'Orléans LEO-CNRS, France*), **Yannick Lucotte** (*Université d'Orléans LEO-CNRS, France*), Florian Pradines-Jobet (*Paris School of Business, France*)	**Thi Lam Anh Nguyen** (*Banking Academy of Vietnam, Vietnam*)

09:00 – 10:30	F4: Entrepreneurial Finance	Room 4
	Chair: Svatopluk Kapounek, *Mendel University in Brno, Czech Republic*	Discussant
	Risk Associated to Initial Coins Offerings **Thi Thu Thuy Dao** (*University Paris 8, France*)	**Prabal Shrestha** (*Catholic University of Leuven, Belgium*)
	Formal Institutions, Culture, and initial Coin Offerings: A Cross-Country Analysis Özgür Arslan-Ayaydin (*University of Illinois at Chicago, United States*), **Prabal Shrestha** (*Catholic University of Leuven, Belgium*), James Thewissen (*Catholic University of Leuven, Belgium*), Wouter Torsin (*Catholic University of Belgium*)	**Svatopluk Kapounek** (*Mendel University in Brno, Czech Republic*)
	Overfunding and Signalling Effects of Herding Behaviour in Crowdfunding **Svatopluk Kapounek** (*Mendel University in Brno,*	**Thi Thu Thuy Dao** (*University Paris 8, France*)

	Czech Republic), Zuzana Kucerova (*Mendel University in Brno, Czech Republic*)	

09:00 – 10:30	F5: Behavioral Finance II	Room 5
	Chair: Alper Kara, *University of Huddersfield, UK*	Discussant
	V-shape Disposition Effect and Rank Effect in Chinese Stock Market **Pei Liu** (*Newcastle University, UK*)	**Barbara Będowska-Sójka** (*Poznań University of Economics and Business, Poland*)
	How does Market Behave around the Aggressive Orders? **Barbara Będowska-Sójka** (*Poznań University of Economics and Business, Poland*)	**Alper Kara** (*University of Huddersfield, UK*)
	Consumer Bankruptcy Decision in Great Britain Atilla Gümüş (*Nottingham Trent University, UK*), **Alper Kara** (*University of Huddersfield, UK*)	**Pei Liu** (*Newcastle University, UK*)

10:30 – 11:00	Coffee Break	1st Floor, D3

11:00 – 12:30 Parallel Sessions (G)

11:00 – 12:30	G1: Behavioral Finance III	Room 1
	Chair: Monomita Nandy, *Brunel University, UK*	Discussant
	Mediated Role of Capital Budgeting between Uncertainty, Corporate Social Responsibility, Stakeholder Interest and Firm's Financial Performance **Ahmed Imran Hunjra** (*PMAS- Arid Agriculture University Rawalpindi, Pakistan*), Sisira Colombage (*Federation University Australia, Australia*), Kashif ur Rehman (*City University, Pakistan*)	**Sureyya Burcu Avci** (*Sabanci University, Turkey*)
	Impact Analysis of Religiosity and Altruism on Multidimensional Inequality Nadira Amalia (*Universitas Indonesia, Indonesia*), Jossy Prananta Moeis (*Universitas Indonesia, indonesia*), **Tika Arundina** (*Universitas Indonesia, Indonesia*)	**Yi Li** (*Pusan National University, South Korea*)
	Stock Price Reaction to Debt Offerings: The Turkish Evidence Evrim Akdoğu (*Sabanci University, Turkey*), **Sureyya Burcu Avci** (*Sabanci University, Turkey*), Serif Aziz Simsir (*Sabanci University, Turkey*)	**Ahmed Imran Hunjra** (*PMAS- Arid Agriculture University Rawalpindi, Pakistan*)
	Idiosyncratic Volatility and Firm-Specific News: Evidence from the Chinese Stock Market **Yi Li** (*Pusan National University, South*	**Tika Arundina** (*Universitas Indonesia, Indonesia*)

	Korea), Jangwoo Lee (*Pusan National University, South Korea*)	

11:00 – 12:30	G2: Corporate Finance IV	Room 2
	Chair: Yongmin Zhang, *Ningbo University, China*	Discussant
	Do Conforming to State-Directed investment Policies in Emerging Countries Create Value for Acquiring Firms? **Agyenim Boateng** (*De Montfort University, UK*), Min Du (*De Montfort University, UK*)	**Anne-Marie Cote** (*Laval University, Canada*)
	Does China Have the Financial Means to Achieve its Ambitions in the Belt & Road initiative? Zhan Su (*Laval University, Canada*), Alexis Leggeri (*Laval University, Canada*), **Anne-Marie Cote** (*Laval University, Canada*)	**Yongmin Zhang** (*Ningbo University, China*), Meryem Duygun (*Nottingham University Business School, UK*)
	Impact of Board Structure on Chinese Firms' Cross-Border M&A Performance Shusheng Ding (*Ningbo University, China*), Min Du (*Ningbo University, China*), Tianxiang Cui (*Ningbo University, China*), **Yongmin Zhang** (*Ningbo University, China*), Meryem Duygun (*Nottingham University Business School, UK*)	**Agyenim Boateng** (*De Montfort University, UK*)

11:00 – 12:30	G3: Banking Regulation and Financial Services VI	Room 3
	Chair: Aristeidis Samitas, *Zayed University, UAE*	Discussant
	Do Investors Exploit Bank Earnings Management Information to Earn Profits in Stock Markets? The Role of Signaling Effect **Nguyen N.T. Vo** (*Eastern International University & RMIT University, Vietnam*), Thai V.H. Nguyen (*RMIT University Vietnam, Vietnam*), Duc T.H. Phan (*RMIT University, Australia*)	**Van Anh Do** (*Hanoi University, Vietnam*)
	Impact of the Fintech Sector on the Level of Competition in the Polish Banking Sector **Małgorzata Pawłowska** (*SGH Warsaw School of Economics, Poland*), Piotr Maicki (*SGH Warsaw School of Economics, Poland*), Aleksandra Staniszewska (*SGH Warsaw School of Economics, Poland*)	**Aristeidis Samitas** (*Zayed University, UAE*)
	Modeling the Inter-Temporal Relationship among Risk, Capital & Efficiency in ASEAN Commercial Banks **Van Anh Do** (*Hanoi University, Vietnam*)	**Nguyen N.T. Vo** (*Eastern International University & RMIT University, Vietnam*)
	How Bailouts Improve Societal Welfare: An Agent-Based Simulation **Aristeidis Samitas** (*Zayed University, UAE*), Stathis	**Małgorzata Pawłowska** (*SGH Warsaw School of Economics, Poland*)

	Polyzos (*University of the Aegean, Greece*), Elias Kampouris (*University of the Aegean, Greece*)	

11:00 – 12:30	G4: Corporate Governance III	Room 4
	Chair: Nam Hoai Tran, *University of Economics Ho Chi Minh City, Vietnam*	Discussant
	The Impact of Audit Quality on Earnings Management in Vietnamese Commercial Banks **Thi Thu Ha Le** (*Banking Academy, Vietnam*)	**Syed Shams** (*University of Southern Queensland, Australia*)
	Interlocking Boards and Firm Performance: Evidence from India **Pitabas Mohanty** (*Xaviers Labor Relations institute, India*), Supriti Mishra (*IMI Bhubaneswar, India*), Arpita Patnaik (*IGIDR, India*)	**Nam Hoai Tran** (*University of Economics Ho Chi Minh City, Vietnam*)
	Who Does Disclosure Choices? An Empirical investigation of the Effect of Powerful CFOs on Disclosure Quality Lutfa Ferdous (*Latrobe University, Australia*), Kamran Ahmed (*Latrobe University, Australia*), Darren Henry (*Latrobe University, Australia*), **Syed Shams** (*University of Southern Queensland, Australia*)	**Thi Thu Ha Le** (*Banking Academy, Vietnam*)
	Ownership Concentration and Stock Liquidity in an Emerging Market **Nam Hoai Tran** (*University of Economics Ho Chi Minh City, Vietnam*), Cuong Cao Nguyen (*Lincoln University, New Zealand*), Chi Dat Le (*University of Economics Ho Chi Minh City, Vietnam*)	**Pitabas Mohanty** (*Xaviers Labor Relations institute, India*)

List of Abstracts

A1. Corporate Finance I

Do Female Directors Enhance R&D Performance?

Jamie Yixing Tong (*University of Queensland, Australia*), Feida (Frank) Zhang (*University of Queensland, Australia*), Gaoguang (Stephen) Zhou (*Hong Kong Baptist University, Hong Kong SAR China*)

Abstract

This study examines whether and how female directors enhance innovation performance. Using a sample of U.S. firms, we find that firms with more female directors on boards are associated with a stronger relationship between R&D and future earnings and future operating cash flow, suggesting a positive impact of board gender diversity on R&D performance. We further identify two potential channels through which R&D can contribute to increased firm performance: innovation output (the number of patents and patent citations) and productivity (increased sales revenue). Our results show that a higher number of female directors are associated with higher innovation output (measured by the sensitivity of patents and patent citations to R&D) and higher R&D productivity (measured by the sensitivity of future sales to R&D).

Are Internal Capital Markets Smart: Evidence of Efficient Winner Picking

James Carson (*University of Georgia, United States*), Evan Eastman (*Florida State University, United States*), David Eckles (*University of Georgia, United States*), Joshua Frederick (*University of Georgia, United States*)

Abstract

Current literature shows that groups allocate capital based on prior performance, consistent with the winner picking" hypothesis. While this capital allocation practice is consistent with performance-based capital allocation, prior research has not examined how these « winners » perform subsequent to receiving internal capital. We extend the literature by providing empirical evidence that \winners" who receive internal capital continue their relatively high performance, consistent with efficient winner picking.

Labor Force Demographics and Corporate Innovation

Francois Derrien (*HEC, France*), **Ambrus Kecskes** (*York University, Canada*), Phuong-Anh Nguyen (*York University, Canada*)

Abstract

Firms in younger labor markets produce more innovation. We establish this using the local labor force projected based on historical births in each local labor market in the United States. Successive analyses of labor markets, firms, and inventors allow us to separate out effects such as firm and inventor life cycles. Corporate innovation activities reflect the innovative characteristics of younger labor forces. Additionally, firms in younger labor markets have higher valuations. Younger people as a group – inventors interacting with non-inventors – produce more innovation for firms through the labor supply channel rather than through a financing supply or consumer demand channel.

Sentiment and the US Dollar Excess Returns

Kari Heimonen (*University of Jyväskylä, Finland*), Heikki Lehkonen (*University of Jyväskylä, Finland*), Kuntara Pukthuanthong (*University of Missouri-Columbia, United States*)

Abstract

Using text-based currency market sentiment, this study finds that sentiment is a strong positive predictor of future currency excess returns with monthly in-sample and out-of-sample R2s of 6.11% and 4.65%, respectively, for the high interest rate currency portfolio. Its predictive power is economically superior and informationally complementary to existing measures of investor sentiment. Moreover, currency sentiment predicts cross-sectional currency returns, particular for currencies that are freely floating, less liquid, difficult to value and costly to arbitrage, and that have high interest rate. For a broad, trade-weighted currency index, the predictive power of currency sentiment lasts for six months. The currency sentiment measure is partly related to foreign exchange expectations, political uncertainty, stock market uncertainty, stock market performance and macroeconomic variables.

Stock Market Volatility: Friend or Foe?

Michael Dempsey (*Ton Duc Thang University, Vietnam*), Abeyratna Gunasekarage (*Monash University, Australia*), Thanh Tan Truong (*RMIT University, Australia*)

Abstract

Although a good deal of research effort has been allocated to understanding the time-series volatility of stock returns – as both market (or systematic) volatility and idiosyncratic (or non-systematic) volatility – the relationship of such volatility with cross-sectional volatility or dispersion of outcomes is sparse. Nevertheless, the quest to understand one must involve the quest to understand the other. In this paper, we investigate the dynamic of the dispersion of return outcomes in generating a portfolio's expected return outcome. We find that changes in the level of cross-sectional volatility have highly significant implications for portfolio performances and the notion of risk.

Do Liquidity Proxies Based on Daily Prices and Quotes Really Measure Liquidity?

Barbara Będowska-Sójka (*Poznań University of Economics and Business, Poland*), Krzysztof Echaust (*Poznań University of Economics and Business, Poland*)

Abstract

This paper examines if liquidity proxies based on different daily prices and quotes truly approximate latent liquidity. We compare daily proxies with liquidity benchmarks and various realized variance estimates calculated on the basis of high-frequency data. Our sample covers more than 2,750 trading days. We find that proxies based on prices have higher correlation coefficients than with volatility estimates than with liquidity benchmarks. We consider different sampling frequencies for calculating realized variance and liquidity benchmarks, and find that changing frequency has no impact on the results. The only proxy, that is featured by higher correlation coefficients with the liquidity benchmarks than with volatility estimates, is the closing quoted spread, based on the last bid and ask quotes within a day.

Monetary Delegation and Time-inconsistency in a New Keynesian Two-country Model

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

Abstract

This paper assesses the efects of openness on the efectiveness of delegation in solving the time-inconsistency problem of monetary policy. We built a micro-founded New Keynesian two-country model with a government structure including a government and a central bank. We explicitly formulate delegation process which allows the government to reappoint the current central bank with a reappointment cost. Our findings consist of two folds: when the economy becomes more open, a lower threshold of reappointment cost parameter is required for central bank appointment being sustained and when the reappointment cost is less than such a threshold, the current central bank is less likely to be reappointed.

Competition and Innovation in the Banking Industry

Eric De Bodt (*Norvegian School of Economics, Norway & California Institute of Technology, United States*), **Hong Tram Dang** (*Lille School Management Research Center, France*), Frédéric Lobez (*Lille School Management Research Center, France*)

Abstract

How does competition affect product innovation in the banking industry? We use the 1994 Riegle-Neal Interstate Banking and Branching Efficiency Act as a major exogenous shock on U.S. banking industry competition and study its impact on product innovation. Addressing this issue is challenging however because traditionally banks do not report research and development expenses and most often do not patent their new product/service developments. Classic measures of innovation are therefore not available. Consequently, we start by introducing a new measure of product innovation, denoted for Product Similarity Variability, based on the Hoberg and Phillips (2010) measure of product similarity score, and report numerous results that confirm its validity. Thanks to the availability of the Hoberg and Phillips (2010) measure for financial institutions and banks in particular, our measure of product innovation unlocks the doors to investigations into the relation between competition and product innovation in the banking industry. We proceed by implementing differences-in-differences tests around the Riegle-Neal Act adoptions at states level. Our results suggest that competition has a negative but transitory impact on innovation in the banking industry, that leads to product standardization.

Market Liquidity Shortage and Banks' Capital Structure and Balance Sheet Adjustments: Evidence from U.S. Commercial Banks

Thierno Amadou Barry (*University of Limoges, France*), Alassane Diabaté (*University of Limoges, France*), **Amine Tarazi** (*University of Limoges & Institut Universitaire de France, France*)

Abstract

Using quarterly data of U.S. commercial banks, we investigate the impact of market liquidity shortages on banks' capitalization and balance sheet adjustments. Our findings reveal that an acute liquidity shortage leads small U.S. commercial banks, but not large ones, to positively adjust their total capital ratio. Small banks adjust their total capital ratio by downsizing, by restricting dividend payments, by decreasing the share of assets with higher risk weights and specifically by extending less loans.

Furthermore, the positive impact on total capital ratios is stronger for small banks which are more reliant on market liquidity and small banks operating dbelow their target capital ratio.

Accrual Anomaly in Emerging Markets

Khanh Hoang (*Lincoln University, New Zealand & National Economics University, Vietnam*), Cuong Nguyen (*Lincoln University, New Zealand & IPAG Business School, France*), Christopher Gan (*Lincoln University, New Zealand*)

Abstract

This paper investigates the presence and the drivers of the accrual anomaly in emerging markets during 2000-2016. Our empirical results show that cash flows are more attributable to earnings persistence than accruals, while both of these earnings components are mispriced in certain emerging markets. We find the evidence of accrual anomaly in nine emerging markets including Brazil, China, India, Indonesia, Malaysia, Peru, South Korea, Taiwan, Thailand, and a pooled sample of Arabian markets (Qatar, Saudi Arabia, and the United Arab Emirates), while abnormally high hedge returns of an accrual-based trading strategy are found in China and South Korea stock markets. Further analysis indicates that the mispricing of accruals and cash flows in emerging markets are the mutual product of investor naivety and managerial incentives. The mechanism tests suggest that insider trading incentives and contracting incentives are the potential motives of the aggressive use of accrual accounting. We conclude that corporate managers deliberately contribute to information asymmetry that drives the misvaluation. Our paper provides new insights into market inefficiency in emerging markets across the globe.

How Important are Political Connections for Financing Decisions in Post-Communist Economies? The Case of Vietnam

Anh T. P. Hoang (*University of Economics Ho Chi Minh City, Vietnam*), **Anh D. Pham** (*Banking Academy of Vietnam, Vietnam*)

Abstract

Since the open-door policy of 'Doi Moi' was launched in 1986, Vietnam has made great strides, from among the world's most impoverished nations to a lower middle-income country. During the development process, there is a growing tendency towards the cooperation between public and private sectors with the emergence of state-owned enterprises. Earlier works in the literature pointed out that politically patronised firms may have a clear advantage over non-connected ones owing to either their close relationships with state institutions or their influence within major banks. This study, thus, investigates the differences in capital structure between politically patronised and non-connected firms. Applying difference-in-differences approach to a dataset of 160 Vietnamese firms over the 2006-2015 period, empirical results indicate that politically patronised firms tend to hold notably higher level of debt than non-connected peers. In additional analyses, taking an exogenous shock triggered by the 2008 financial crisis into consideration, the above results still remain true during the crisis as well as post-crisis period.

Determinants and Impacts of Financial Literacy in the Lao PDR

Peter J. Morgan (*Asian Development Bank Institute, Japan*), Long Q. Trinh (*Asian Development Bank Institute, Japan*)

Abstract

Financial literacy is gaining increasing importance as a policy objective in many countries. However, internationally comparable information on financial literacy is still scarce. The OECD/INFE survey of adult financial literacy is a standardized survey instrument, but so far has mainly been implemented in higher-income countries outside of Asia. Our paper extends the literature by conducting the survey in a relatively low-income Asian economy—the Lao PDR—and analyzing the determinants of financial literacy and the effects of financial literacy on other behaviors. We also compare these results with those of our earlier study of financial literacy in Cambodia and Viet Nam. This study of the Lao PDR extends our research in the CLMV region, and the survey was broadened to include more variables that could be used as effective instrumental variables for financial literacy to deal with possible endogeneity problems. This increases our confidence in our findings that financial literacy positively affects both savings and financial inclusion.

Generally, our study corroborates the findings of studies of other countries, but uncovers some differences as well. The average financial literacy score in the Lao PDR is found to be 12.5, slightly below that of Viet Nam (12.7) and higher than that of Cambodia (11.8). These scores are at the lower end of the range seen in a sample of 30 countries that have implemented the OECD/INFE survey, but they can be considered normal in view of the low levels of per capita income in these countries. The main determinants of financial literacy are found to be educational level, income, age, and occupational status. Both financial literacy and general education levels are found to be positively and significantly related to savings behavior and financial inclusion, and these results hold even when correcting for possible endogeneity of financial literacy.

Food Price Inflation at Risk

Kris Boudt (*Ghent University, Belgium & Vrije Universiteit Amsterdam Netherlands*), **Hong Anh Luu** (*Vrije Universiteit Brussel, Belgium*)

Abstract

Ensuring food price stability requires to estimate the risk associated with food price inflation, and to understand its key contributors. We recommend using both the standard deviation and high and low quantiles of inflation shocks to quantify the risk associated with food price inflation. We then use the Euler method to attribute the total food price risk to the underlying food items. For the FAO food price index and its components, we find that over the period 1990-2018, the cereal inflation has been the main contributor to its inflation risk. The use of time series models makes the risk characterization forward-looking and a potentially useful tool for food price policy decision making.

Is Bitcoin a Better Portfolio Diversifier Than Gold? A Copula and Risk Analysis for China

Kim Hung Pho (*Ton Duc Thang University, Ho Chi Minh City, Vietnam*), Sel Ly (*Ton Duc Thang University, Ho Chi Minh City, Vietnam*), Richard Lu (*Feng Chia University, Taichung, Taiwan*), **Thi Hong Van Hoang** (*Montpellier Business School, France*), Wing- Keung Wong (*Asia University, Taiwan*)

Abstract

This paper aims to compare Bitcoin and gold in Chinese portfolios over the 2010-2018 period. Through a copula-based joint distribution function of returns, we compare the Value-at-Risk and Expected shortfall of portfolios including Bitcoin and those without Bitcoin (or gold). Gold remains a safe haven asset that reduces the potential amount of loss of a portfolio while Bitcoin outperforms gold in terms improving its performance. We thus conclude that Bitcoin is more suitable to risk-seeking investors while gold is more suitable to risk-averse investors. This result is found to be robust to the time, data frequency and currency.

Financial Stress and the Basis in Energy Markets

Juha Junttila (*University of Jyväskylä, Finland*), Maryam Ahmadi (*University of Milan-Bicocca, Italy*), Niaz Bashiri Behmiri (*University of Stavanger, Norway*), Matteo Manera (*University of Milan-Bicocca, Italy*)

Abstract

We explore the role of financial stress on the spread between spot and future prices, the basis, in energy commodity markets. We focus on crude oil, heating oil and natural gas markets during the time span from 1994 to 2018. We find that; first, after the 2008 crisis, there is a direct association between energy commodities basis and financial stress; however, the effect of inventory becomes weaker. Second, the bases responses to the financial stress shocks are nonlinear, as they are stronger in high financial stress periods compared to the low stress periods. The evidence for nonlinearity is strongly robust when we look at the responses to the positive financial stress shocks and is more profound in crude oil market. Third, the responses are asymmetric, as they are higher to the positive financial stress shocks than the negative shocks, and this is more profound in high financial stress periods.

Asset Classes and Portfolio Diversification: Evidence from Stochastic Spanning Approach

Duc Khuong Nguyen (*IPAG Business School, France*), **Nikolas Topaloglou** (*Athens University of Economics and Business, Greece & IPAG Business School, France*), Thomas Walther (*Utrecht University, The Netherlands & Dresden University of Technology, Germany*)

Abstract

We propose a stochastic spanning approach to assess whether a traditional stocks and bonds portfolio spans augmented portfolios which include commodities, foreign exchange, and real estate. We show that in all seven combinations, the augmented portfolio is not spanned by the traditional one. Our results are confirmed by further parametric and non-parametric tests in an out-of-sample setting. We conclude that traditional investors can generally benefit in terms of higher Sharpe ratios from augmenting their portfolio with alternative asset classes. Further analysis demonstrates, that diversification benefits can be explained by the current state of the U.S. economy and stock market.

Decision-Making under Partial Information: A Smooth Approach

Illia Pasichnichenko (*Heidelberg University, Germany*)

Abstract

Belief functions, or normalized totally monotone capacities, are used in decision modelling to represent partial information and subjective judgements. In the paper, we propose a model of preferences among belief functions, which allows for smooth indi_erence curves and better separation of tastes and beliefs, than the Choquet integral. In our model, a generalised average is used instead of maximums and minimums. Thus, familiar methods from decision analysis under risk can be applied for studying decision maker's tastes.

On Skewness and Prudence

Volker Seiler (*Xián Jiaotong-Liverpool University, China*), Markus Rudolf (*WHU - Otto Beisheim School of Management, Germany*), Michael Borß (*WHU – Otto Beisheim School of Management, Germany*)

Abstract

Skewness preferences are closely linked to downside risk aversion and prudence. However, using a sound experimental setup and controlling for the first four statistical moments and potentially distortionary effects of loss aversion a preference for skewness cannot be confirmed. In contrast to theoretical predictions, the preference for skewness does not increase with an increasing skewness of the considered lottery. Furthermore, the preference for left-skewed distributions is stronger for lotteries in the loss domain. However, more rational decision making increases the predisposition of right-skewed choices.

Don't Ignore Inflation Ignorance: An Experimental Analysis of the Degree of Money Illusion in Individual Decision Making

Nicole Branger (*Finance Center Muenster, Germany*), Henning Cordes (*Finance Center Muenster, Germany*), **Thomas Langer** (*University of Muenster, Germany*)

Abstract

Money illusion refers to the tendency to evaluate economic transactions in nominal rather than real terms. One aspect of this phenomenon is the tendency to neglect future inflation in intertemporal investment decisions. Empirical evidence for this "inflation ignorance" is, however, controversial due to the host of factors that simultaneously change with the inflation rate. We avoid these identification issues by conducting a controlled and fully incentivized investment experiment. We measure a substantial degree of money illusion. Lacking diligence, arithmetic problems, or misunderstandings of inflation do not drive this result. Instead, participants seem to anchor subconsciously to nominal returns, even though they are incentivized to base their decisions on provided real returns only. Our findings contribute towards understanding various anomalies on the individual and market level, such as insufficient savings efforts or equity mispricing.

A Five-Factor Cryptocurrency Pricing Model

Xin Deng (*Shanghai University of Finance and Economics, China*), David Lee Kuo Chuen (*Singapore University of Social Sciences, Singapore*), **Yu Wang** (*Singapore University of Social Sciences, Singapore*), Xifang Zhang (*Shanghai University of Finance and Economics, China*)

Abstract

Based on classic stock pricing factors and unique cryptocurrency characteristics, we propose a five-factor pricing model for cryptocurrencies. The factors are Market, Size, and Liquidity, Momentum and Attention. We find that although the market factor does not have much explanatory power, the other four factors can explain 84.2% of excess returns' variations of cryptocurrency portfolios. In particular, there are significant positive size effect and reversal effect in the cryptocurrency market. In addition, liquidity is positively related with excess returns of cryptocurrency portfolios. Finally, attention negatively correlates with the overall excess return.

Fine Wine as Hedge against Inflation: Cointegration, Time-Varying Cointegration – or no Cointegration at all?

Tobias Basse (*Norddeutsche Landesbank & Touro College Berlin, Germany*), **Hans-Jörg von Mettenheim** (*IPAG Business School, France & Keynum Investments*), Duc Khuong Nguyen (*IPAG Business School, France*), Sandro Pittalis (*Hochschule Weserbergland, Germany*)

Abstract

There seems to be a general belief in financial markets that fine wine, as an alternative asset class, could be attractive for asset and portfolio managers fearing higher inflation rates in the future. Different cointegration tests are employed to analyze whether buying wine can be an effective strategy for investors who want to hedge against inflationary risk. At best there only seems to be time-varying cointegration between wine prices and macroeconomic price level in the United Kingdom, the United States and Germany. The non-parametric test which was developed by Breitung (2002) even suggest that there is no cointegration at all. Consequently, investors who primarily search for an asset class that can act as useful inflation hedge should most probably not consider buying fine wine.

Evidence on Aggregate Volatility Risk Premiums for the French Stock Market

Amal Zaghouani (*Institut des Hautes Etudes Commerciales IHEC, Tunisia*), Dorra Hmaied (*Institut des Hautes Etudes Commerciales IHEC, Tunisia*)

Abstract

This study examines alternative six and seven factor equity pricing models directed at capturing a new factor aggregate volatility; in addition to the market, size, book to market, profitability, investment premiums of the Fama and French (2015) and the seven factor one is the Fama and French (2018) aggregate volatility augmented model. The models are tested using a time-series regression and the Fama Macbeth (1973) methodology. The new six and seven factor models provide by far a better description of the average excess returns for the French stock market. The investment risk premium seems to be better priced than the profitability factor. The momentum factor is negatively related to excess returns. There is some evidence that the aggregate volatility factor is systematically priced. Moreover, periods with downward market movements tend to coincide with high volatility. Inconsistent with

theoretical predictions, we cannot talk about an asymmetric relation between aggregate volatility and stock returns for the French stock market.

Credit Risk Assessment in Real Estate investment Trusts: A Perspective on Blockholding and Lending Networks

Masayasu Kanno *(Nihon University, Japan)*

Abstract
This study assesses the credit risk of Japan's real estate investment trusts (J-REITs) in two related markets during the fiscal years 2008{2017. The first J-REIT market involves blockholders, while the second is a lending market of institutions (i.e., banks and insurers). Unlike investment trusts, a J-REIT is an investment security issued by an investment corporation and thus, has corporate credit risk. Consequently, a J-REIT's sponsor and as its financial variables have a substantial effect on the investment corporation's credit risk. A sponsor's probability of default is a leading indicator of the investment corporation's default and double default probability acts as a coincident indicator of default. Network analysis indicates that some network centralities are proxies for funding liquidity via blockholding and lending networks. Rather than increases in other centralities, an increase in the degree of lending to an investment corporation explains a decrease in the issued J-REIT's credit risk.

Sovereign Risk and Bank Sector Integration: Evidence from the Eurozone

Jussi Leskinen (*University of Jyväskylä, Finland*)

Abstract

In this paper, the effect of the sovereign debt crisis on bank sector integration in the Eurozone is studied. The main focus of analysis is to model the effect of sovereign risk to European banks originating from loans granted to domestic and other Eurozone governments on the co-movement of the bank sector risk premia during the European sovereign debt crisis.

The approach adopted in the study, is the perspective of a European bank investing in the Eurozone sovereign bonds as part of their diversified minimum-variance portfolios. Relying on the fundamental concept of financial theory that higher the risk of an asset, higher the risk premium of this asset as well, portfolios including and excluding loans to the crisis countries of Greece, Ireland, Italy, Portugal and Spain (the so called GIIPS countries) are constructed. Then the difference in risk premia between bond portfiolios including these investments and excluding them is the measure of sovereign GIIPS risk. As the GIIPS risk exposure of banks in different Eurozone countries differs, the differences in these exposures have an effect on integration.

Utilizing bank sector data from 19 Eurozone countries, ECB bank sector loan statistics and fixed effects (LSDV) panel models, some insights on the behaviour of stock markets during times of financial distress is provided. Two key results were obtained. First, 1) holding sovereign GIIPS debt increases bank sector risk, which is in agreement with the previous bank risk studies. Second, and the most important and novel result is that 2) investments in sovereign bonds of GIIPS countries decrease the integration of a bank sector. These effects stay stay robust after controlling for general domestic sovereign and bank sector riskiness, and also including controls for bank and macroeconomic factors commonly used in integration studies.

Assessing Financial Market Integration in Vietnam: A Price-Based Approach

Thi Xuan Anh Tran (*Banking Academy Vietnam, Vietnam*), **Thi Hang Ngo** (*Banking Academy Vietnam, Vietnam*), Thi Lam Anh Nguyen (*Banking Academy Vietnam, Vietnam*)

Abstract

This paper investigates the existence of financial market integration between Vietnam and the region (ASEAN, ASIAN) as well as the world using price-based indicators. Our paper is the first to apply price-based measures with two different datasets of different sub-capital markets, bond markets and stock market, to assess the overall integration of Vietnam financial market during the period of 2009 - 2018. The empirical results show the lowest regional and international integration levels compared to other regional bond markets, but find considerably strong signs of regional and global stock market integration. Especially, the absolute values estimated from beta coefficient approach for Vietnamese stock market convergence are smaller than those of other countries, proving weaker convergence speed in Vietnam. These findings bring policy makers and regulators new thoughts and more challenges in designing appropriate policy towards the development of financial market in the future.

New Estimates of International Capital Mobility for Select Advanced Economies

Anthony J Makin (*Griffith University, Australia*), Shyama Ratnasiri (*Griffith University, Australia*)

Abstract

This paper presents a new perspective on the meaning and measures of international capital mobility (ICM), contributing to the literature in several ways. First, using an extended international loanable funds framework, it reconciles traditional interest parity measures of ICM with the Feldstein-Horioka measure. Second, it proposes a new macro-oriented approach to estimating the degree of ICM with reference to the nature of the aggregate spending that international capital flows finance. Third, it estimates ICM by testing quarterly data for the period 2000-2017 for select OECD economies, Australia, the United States, the United Kingdom, New Zealand, Ireland, Italy, Germany, Canada, France, Portugal and Spain. The results reveal that ICM is near perfect when capital inflows finance private investment, government spending and consumption. Interest differentials, though significant, contribute minimally to explaining capital inflows, consistent with very high ICM for these economies.

Loans from my Neighbours: East Asian Commercial Banks, Financial integration and Bank Default Risk

Dung Thi Thuy Nguyen *(University of Otago, New Zealand*), Ivan Diaz-Rainey (*University of Otago, New Zealand*), Helen Roberts (*University of Otago, New Zealand*), Minh Le (*University of Economics and Law, VNU-HCM, Vietnam*)

Abstract

This study investigates the impact of financial integration on recipient country bank default risk and, in particular, if that relationship is moderated by the type of financial integration. Using the system generalized method of moments (GMM), the study finds that financial integration lowers bank default risk in the recipient countries. The impact is primarily driven by the foreign claims extended by Asian lenders and the foreign claims extended via local affiliates. These results show that the close proximity of lenders and borrowers or 'local' knowledge via an affiliate presence alleviates information asymmetry, allowing for effective monitoring and disciplining of the loan relationship. The result supports the fostering of financial integration, promoting deeper intra-regional connectedness throughout East Asia. Where foreign claims come from outside East Asia, policy makers should encourage presence through local affiliates, as this has an equivalent impact.

The Determinants of Correspondent Banking Relationships: A Case of Vietnam

Ngoc Thang Doan (*Banking Academy of Vietnam, Vietnam*), **Hong Hanh Nguyen** (*Banking Academy of Vietnam, Vietnam*), Hop Chau Tran-Nguyen (*Banking Academy of Vietnam, Vietnam*), Thi Thanh Tan Nguyen (*Banking Academy of Vietnam, Vietnam*)

Abstract

This paper investigates the driving forces of decision making on correspondent banking relationships (CBRs), focusing on two decisions: whether to establish a correspondent bank (CB) in a country, which we refer to as country selection, and then how many CBs are established in each country, which we label as number decision. We use cross-sectional data of commercial banks in Vietnam. The main findings are as follows: first, bilateral trade has a positive effect while distance has a negative impact on both decisions; second, a high gross domestic product (GDP) per capita of the trading partners increases the possibility of a country being selected while the presence of a financial center only affects the number of CBs; third, the effects of components of trade flow, bank concentration and anti-money laundering (AML) are mixed. When taking into account the censored property of CB data, the effects of total trade, distance, financial center, and AML on number decision are robust whereas those of trade components and GDP are not. These findings suggest that the bilateral connection between countries is the main determinant of CBRs.

The Role of Carry Trades on the Effectiveness of Japan's Quantitative Easing

Thomas Chuffart (*University of Bourgogne Franche-Comté, France*), **Cyril Dell'Eva** (*University of Pretoria, South Africa*)

Abstract

This paper investigates how carry trades altered the efficiency of the Japanese quantitative easing policy between March 1995 and September 2010. Monetary policy shocks are identied by means of a data-driven Structural VAR approach. Accordingly, our results rely exclusively on the statistical properties of

the data through non-Gaussian identification. We show that carry trades, by altering the portfolio re-balancing channel, hampered the impact of the Japanese quantitative easing policy on growth.

Corporate Green Bonds and Value Creation: An International Evidence

Souad Lajili Jarjir (*IRG, University Paris Est, Créteil, France*), Martin Lebelle (*IRG, University Paris Est Créteil, France*), Syrine Sassi (*South Champagne School of Management, Troyes, France*)

Abstract

This paper studies the potential consequences of the issuance of a Green bond on the issuer's financial performance. Using a sample of 2,079 Green bond issuances of 190 firms, from 2009 to 2018, we show that the market reacts negatively to the announcement of green bond issuances. We particularly show that the stock market reacts until 5 days after the green bond announcement date, and that the cumulative abnormal return is approximately -0.5%. This effect is particularly noticeable at the first Green Bond issuance, for a given issuer, and particularly in developed market. Moreover, we show that the reaction of the market is significantly the same between financial and non-financial issuers. Overall, the evidence in this paper suggests consistent results that green bond issues do not create value for issuing firms.

Long-term Financial Performance of Corporate Social Responsibility, External Governance from Foreign Stockholders, and Regional Stakeholders

Yoko Shirasu (*Aoyama Gakuin University, Japan*), Hidetaka Kawakita (*Kyoto University, Japan*)

Abstract

We conduct an empirical investigation of the relationship between corporate social responsibility (CSR) and long-term stock performance in Japan. We find that: (1) CSR activities related to labor relations, community relations, and the environment are positively related to long-term stock returns; (2) firms with strong corporate governance and higher foreign investor ownership exhibit superior stock performance; (3) socially responsible regional customers play an essential role in determining which CSR activities effectively enhance long-term stock returns, whereby Europeans favor CSR measures related to the environment, and in developing countries, CSR measures related to the community exhibit a significant, positive effect. All over regions, the employee is interest. Our study supports the notion that investors in the Japanese market are significantly concerned about the ethical policies of firms and these concerns are reflected in the markets. This study provides quantitative evidence of the positive effect that CSR has on longterm stock investments in the Japanese market. It also provides evidence that higher foreign investor ownership and responsible regional customers play a critical role in improving CSR activities. Based on the results, we propose important ways for managers to enhance shareholder value and for policymakers to identify additional measures that promote welfare.

Uncovering the Diversity of Impact Assessment: Evidence from French Investment Professionals

Diane-Laure Arjaliès (*Western University, Canada*), **Pierre Chollet** (*University of Montpellier, France*), Patricia Crifo (*University Paris Nanterre Economix, Ecole Polytechnique Crest and CIRANO, France*), Nicolas Mottis (*École Polytechnique, France*)

Abstract

This paper studies impact assessment of investments in terms of environmental footprint, job creation or contribution to the Sustainable Development Goals. From a survey based on the audition of the leading actors in the field of impact assessment and responsible investing of the French SRI (Socially Responsible Investment) Market we have three main findings. Firstly, the study shows that the views of investment

professionals on impact assessment vary considerably both in terms of content and format, suggesting that the contours of the concept are far from being defined. Secondly, there is strong statistical evidence that those views are fashioned by the professionals' investment strategies and their relationships to nonfinancial information. Lastly, the study shows that the current challenges of impact assessment in the investment industry do not result exclusively from a scarcity of data, but rather from the lack of shared understandings of how these data should be treated. Elaborating on these results, the article outlines avenues for further research and policy recommendations on impact assessment and responsible investing.

Fraudulent Financial Reporting in China: Evidence from Renaming Behavior

Yefeng Zhang (*Queensland University of Technology, Australia*), **Yuyu Zhang** (*Queensland University of Technology, Australia*), Troy Yao (*Queensland University of Technology, Australia*)

Abstract

Using a sample of listed companies in China during 2010-2017, this study examines the association between corporate's renaming behaviour and fraudulent financial reporting activities (FFRs). The moderating role of state-owned enterprises (SOEs) and powerful directors in mitigating the association between corporate renaming and financial reporting fraud is further investigated. The results suggest that companies with renaming experience are more prone to commit financial reporting fraud. The positive association between corporate renaming and FFRs is less pronounced for SOEs than for non-SOEs. Reported results also show that the power of board of directors positively moderates the association between renaming behaviour and the likelihood of FFRs. This study provides a new "red flag" for the regulators to investigate financial fraud. The findings are timely and relevant to the contentious regulation and development of the capital market in China. Results are expected to be generalizable across emerging capital markets.

The Sovereign Wealth Funds Risk Premium: Evidence from the Cost of Debt Financing

Hatem Ghouma (*St. Francis Xavier University, Canada*), **Zeineb Ouni** (*University of Quebec at Trois-Rivieres, Canada*)

Abstract

We build on recent SWF literature that documents an equity discount for SWF investments and extend it to bond markets to investigate whether SWFs represent a threat or an opportunity to bondholders. We test two competing hypotheses: the political agenda hypothesis that advocates that SWFs pursue a non-value maximization agenda, hence suggesting that SWF ownership increases the cost of debt for target firms, and the superior monitor hypothesis that claims that SWFs could mitigate agency problems, hence resulting in lower cost of debt for target firms. We find robust evidence supporting the political agenda hypothesis which suggests the existence of a "SWF bond premium". Our results show that the presence of a SWF as shareholder as well as the magnitude of its ownership stake increase the target firm bond spreads. Furthermore, this SWF bond premium is larger during non-crisis periods, for foreign SWFs, and for those originating from autarchic countries. Interestingly, we find strong evidence that SWFs may signal a passive investment stance and reduce the SWF bond premiums by: i) investing through separate investment vehicles, ii) targeting firms where insiders own a controlling stake of the firm, iii) improving their internal governance, iv) and increasing their transparency.

Why Did Bank CEOs Forgo Their Bonus during the Financial Crisis?

Tuyet Nhung Vu (*University of Glasgow, UK*), Hong Liu (*University of Aberdeen, UK*), Michael (Minye) Tang (*New York University, United States*)

Abstract

We examine the determinants and consequences of U.S. bank CEOs forgoing bonus during the 2007 - 2009 financial crisis. We find that CEOs are more likely to forgo bonus if their banks are larger, better governed, or have received funding from the Troubled Asset Relief Program (TARP) by the U.S.

government. Subsequent to bonus forgoing, their banks show some improvement in financial and market performance, and these CEOs are less likely to depart. Our findings are consistent with CEOs forgoing bonus under internal and external pressure, and partially support to CEOs signalling of higher skills or talent.

Inflation Targeting and Implications of Oil Shocks for Inflation Expectations in Oil Importing and Exporting Economies: Evidence from Three Nordic Kingdoms

Muhammad Ali Nasir (*Leeds Beckett University, UK*), Toan Luu Huynh (*WHU - Otto Beisheim School of Management, Germany*), Larisa Yarovaya (*University of Southampton, UK*)

Abstract

In the context of the debate on inflation targeting, this paper analyses the impact of oil shock for inflation expectations in three Nordic Kingdom. A NARDL framework is applied to data from Jan 1994 to June 2018 on the Kingdoms of Norway, Sweden and Denmark. Our key findings suggest that there are considerable asymmetries and nonlinearities in the relationship between inflation expectations, oil shocks and economic determinants of inflation expectations. The expectations formulated in the past have a very significant negative impact on future inflation expectations (adaptive expectations) and there is heterogeneity in the adaptiveness pace. The country's net oil trade position seems to reflect in the impact of oil price shocks on the inflation expectations and there is asymmetry and downwards inflation expectations rigidity. There is strong evidence of exchange rate pass-through to inflation expectations. Prevailing regimes of price stability can support to anchor future inflation expectations. Reduction in fiscal deficit and increases in money supply has a positive while unemployment has a negative impact on inflation expectations. The cumulative multiplier analysis showed that the impact of oil shock was symmetric in Sweden and Denmark but asymmetric in Norway which is a large net oil exporter. Besides the adoption of explicit inflation targeting regime by Sweden and Norway, the inflation expectations in the underlying economies are prone to the oil price shocks and macroeconomic determinants. These shocks pose a whole set of challenges to monetary authorities in these economies and the findings in the subject treatise provide some guidance on how each shock may transmit.

Optimal Monetary Policy in a DSGE Model of China's Economy with a Shadow Banking Sector

Vo Phuong Mai Le (*Cardiff Business School, UK*), Kent Matthews (*Cardiff Business School, UK*), David Meenagh (*Cardiff Business School, UK*), Patrick Minford (*Cardiff Business School, UK*), Zhiguo Xiao (*Fudan University China*)

Abstract

This paper develops a model of the Chinese economy using a DSGE framework that accommodates a banking sector and money. The model is used to shed light on the period of the Global Financial Crisis. It differs from other applications in the use of indirect inference to estimate and test the fitted model. Officially mandated bank lending and government spending were used to supplement monetary policy to aggressively offset shocks to demand. This paper examines the efficiency of monetary policy in terms of the reduction in the frequency of severe economic slowdowns. We find that monetary policy can be used more vigorously to stabilise the economy, making direct banking controls and fiscal activism unnecessary and a price level targeting monetary policy is the most efficient, compared with a conventional Taylor rule, a Friedman rule or a nominal GDP targeting rule.

Time-Varying Predictive Content of Financial Variables in Forecasting GDP Growth in the G-7 Countries

Juuso Vataja (*University of Vaasa, Finland*), Petri Kuosmanen (*University of Vaasa, Finland*)

Abstract

The predictive association between financial markets and the real economy has proven unstable and transitory over time. This study reexamines empirical evidence regarding the predictive content of financial variables for GDP growth in light of the changed economic circumstances in the G-7 countries in the 2000s. We explicitly address time variations in the predictive power of financial variables for GDP growth. The results indicate that the behavior of the forecasting ability contains a considerable amount of temporal dominance and time persistence, which often vary contemporaneously among the G-7 countries. The forecasting content is clearly connected to unsettled economic conditions.

Forecasting Value at Risk and Expected Shortfall with Mixed Data Sampling

Trung H. Le *(Banking Academy Vietnam, Vietnam & University of East Anglia, UK)*

Abstract

I propose applying the Mixed Data Sampling (MIDAS) framework to forecast Value at Risk (VaR) and Expected shortfall (ES). The new methods exploit the serial dependence in short-horizon returns to directly forecast the tail dynamics at the desired horizon. I perform a comprehensive comparison of out-of-sample VaR and ES forecasts with established models for a wide range of financial assets and backtests. The MIDAS-based models signicantly outperform traditional GARCH-based forecasts and alternative conditional quantile specications, especially at multi-day forecast horizons. My analysis advocates models featuring asymmetric conditional quantile and the use of Asymmetric Laplace density to jointly estimate VaR and ES.

Is Drought Risk Priced in Private Debt Contracts?

Viet Do *(Monash University, Australia),* Thu Ha Nguyen *(Monash University, Australia),* Cameron Truong *(Monash University, Australia),* Tram Vu *(Monash University, Australia)*

Abstract

We investigate whether banks price drought risk – measured by Palmer Drought Severity Index – in the interest rates charged to corporate borrowers. The results show that banks do charge drought-affected borrowers higher loan spreads. The price increase is most pronounced among food industry borrowers. Lenders more experienced in lending to drought-affected borrowers charge a lower drought risk premium compared to less experienced lenders. Borrowers' credit ratings can act as a mitigating factor on drought risk effects. Drought-affected borrowers experience a smaller hike in loan spreads if they are investment-grade firms.

Credit Defaults and Credit Supply Under the Liquidity Coverage Ratio

Boyao Li *(China University of Political Science and Law, China),* **Yougui Wang** *(Beijing Normal University, China)*

Abstract

We build a banking dynamic model to examine the response of banks to the loan default shock under the liquidity coverage ratio (LCR) requirement. We find banks endogenously contract credit supply in response to the default shock. The boundaries in which the credit contractions take place are pointed out. In particular, one of them is presented as a default threshold above which the contraction emerges. Furthermore, the magnitudes of the credit contractions depend on the cash flow profile before and after the shock and LCR rules. Indeed, this type of contraction is an amplification to the initial adverse default shocks. This amplification mechanism along with the switch of the phases of business cycles suggests the procyclicality of the LCR regulation.

Financial Structure and Economic Growth Nexus Revisited

Khanh Lan Chu *(Banking Academy, Vietnam)*

Abstract

This paper empirically reassesses the long-debated relationship between the financial structure and economic growth. Specifically, we examine whether the effect of financial structure on economic growth is affected by the occurrence of banking crisis and economic volatility, the level of financial development, and the financial structure disproportion. We employ the generalized method of moments estimation to a panel of 99 countries over the 1971-2015 period. Although the main result supports the market-based view, the positive effect of the securities market development relative to the banking system weakens significantly if the financial structure is unbalanced. Our findings are robust to a variety of sensitivity checks, including different measures of financial structure, time periods, and model specifications.

Religiosity, Borrower Gender and Loan Losses in Microfinance institutions: A Global Evidence

Ernest Gyapong *(Massey University, New Zealand)*, Daniel Gyimah *(University of Gloucestershire, UK)*, **Ammad Ahmed** *(Zayed University, UAE)*

Abstract

We examine the impact of religious beliefs on loan repayments in microfinance institutions (MFIs). We collect data on 770 MFIs across 69 countries over the period 2006-2015. We find robust evidence of a negative relationship between religiosity and loan losses in MFIs. We also find that the relationship between religiosity and loan losses is stronger for MFIs in Protestant-dominated countries than Catholic-dominated countries. Moreover, religiosity improves the operational self-sufficiency of MFIs through a reduction in loan losses. We find that religiosity does not improve the loan repayment behaviour of women borrowers but it reduces the loan size per borrower. Overall, our evidence suggests that although religiosity reduces loan losses through religiosity-induced lender-risk aversion, it does not improve the loan repayment behaviour of borrowers. We also use a novel approach to evaluate our results to the effects of omitted variable bias.

Can New Evidence from Fintech Companies Challenge Institutional Theories?

Konstantinos Vergos *(Portsmouth Business School, UK)*, Agnieszka Huterska *(Nicolaus Copernicus University, Poland)*, Michał Polasik *(Nicolaus Copernicus University, Poland)*, Rehan Iftikhar *(Dublin City University, Ireland)*

Abstract

Fintech companies change the way consumers, companies and governments accumulate, borrow, lend and protect money, resulting in the change of the value chain of financial companies and financial markets. In our study we develop GARCH and APARCH models to examine the role of institutional factors in fintech expansion. Our findings extend Buchak et al. (2018) findings that mortgage growth of fintech activities in the US mortgage market was due to regulatory and technological forces, by examining how institutional and technological forces contributed to the growth of fintech industry in Europe. Our findings provide substantial evidence that links the fintech industry growth with institutional theories. The study has significant policy implications that fine-tunes the policy of global institutions in the new era of technological transformation.

Data Snooping Bias in Tests of the Relative Performance of Multiple Forecasting Models

Dan Gabriel Anghel *(Romanian Academy & Bucharest University of Economic Studies, Romania)*

Abstract

Tests of the relative performance of multiple forecasting models are sensitive to how the set of alternatives is defined. Evaluating one model against a particular set may show that it has superior predictive ability, while changing the number or type of alternatives in the set may show otherwise. This paper focuses on forecasting models based on technical analysis and shows that data snooping bias occurs in tests that dismiss alternatives used by investors and researchers. If all relevant alternatives are not easily observable, then testing for relative model performance becomes problematic and the results should be treated with care.

Multiple Duration Analyses of Dynamic Limit Order Placement Strategies and Aggressiveness in a Low-Latency Market Environment

Anh Tu Le *(University of New South Wales, Australia)*, **Thai-Ha Le** *(IPAG Business School, France & RMIT University Vietnam Campus, Vietnam)*, Wai-Man Liu *(Australian National University, Australia)*, Kingsley Y. Fong *(University of New South Wales, Australia)*

Abstract

This study examines dynamic order placement strategies in a low-latency environment together with limit orders' aggressiveness by a new approach which utilises survival analysis with a multiple-spell duration model. Two samples are considered, including the period immediately followed Australian Securities Exchange (ASX)'s migration to Integrated Trading System (ITS) and the period subsequent to the launch of ASX Trade. We find the evidence supporting both the 'cost of immediacy hypothesis' and the 'chasing hypothesis' as in Hasbrouck and Saar (2009). Furthermore, several distinctions in the results are found between the samples of ITS period and ASX Trade period as well as between the samples of small-cap stocks and large-cap stocks. The findings of this study are beneficial not only for high-frequency traders in forming dynamic order placement strategies in a low-latency stock market environment, but also for market regulators in helping their attempt to improve regulations for stock exchanges.

Stock Lending Market and the BOJ's ETF Purchasing Program: Micro-Evidence from ETF Balance Sheet Data and Equity Repo Trading Data

Junnosuke Shino *(Waseda University, Japan)*, Kou Maeda *(Tokio Marine & Nichido Fire insurance, Japan)*

Abstract

The ETF (Exchange Traded Fund) purchasing program currently implemented by the Bank of Japan (BOJ) has, in contrast to other asset purchasing programs, a unique charac- teristic: stocks that constitute ETFs held by the BOJ can be lent freely by ETF managers. This study (1) examines whether the ETF purchasing program actually causes an expansion of the stock lending market, and (2) identifies the determinants of stock lending (or equiv- alently equity repo trading). We focus on two different micro-datasets of stock lending: ETF balance sheet data released by asset management companies and equity repo trading data released by the Japan Securities Dealers Association. Our empirical analysis of these datasets shows that the expansion of the ETF purchasing program has caused the substantial growth of stock lending markets. Panel regression results suggest that the size of equity repo trading tends to be larger for stocks with (a) lower free-float rates, (b) smaller market values (both are proxies for market liquidity), (c) higher valuations

such as PBR, and (d) higher volatility. These results also imply that the program has contributed significantly to activating stock lending trades at the times of the bank’s decisions to increase the target amounts of purchases of the program, as well as to influencing the sensitivities of the trades to market liquidity and valuations.

The Effect of Academic Directors on the Agency Costs: An Empirical Study of Listed Firms in China

Haroon ur Rashid Khan *(Nanjing University of information Sciences and Technology, China)*, Waqas Bin Khidmat *(Dongbei University of Finance and Economics, China)*

Abstract

Previous studies have established that the presence of academic directors on board leads to better corporate governance and accounting quality. However, studies have yet to establish the effectiveness of academic directors in mitigating the agency costs in an emerging market setting such as China. The purpose of this study is to investigate the effect of academic directors on the agency costs of Chinese listed firms. We observe that the presence of academic director in board mitigates the earnings management, abnormal investments, free cash flows agency problem and administrative expenses while enhances the dividend payments. The effect of non-executive academic directors in mitigating agency costs is more significant than the executive academic directors. Additionally, we find that the critical mass of academic directors reduces the agency costs in Chinese listed firms. Furthermore, this study suggests that the impact of academic directors in mitigating the agency costs is enhanced for the firm operating under competitive markets. This study extends the literature on board heterogeneity and governance specifically in from the perspective of an emerging economy like China.

Board Gender Diversity and Acquisition Choices

Syed Shams *(University of Southern Queensland, Australia)*

Abstract

We investigate the influence of the gender diversity of the board on the acquisition choices of bidding firms. Using more than 5,000 acquisition bids announced by S&P 1500 companies during the period 1997-2015, we find that firms with female directors are more likely to acquire private targets, use cash as the method of payment and to purchase unrelated firms. Each additional female director on the company board is associated with an 11.22% increase in private target acquisitions, a 24.94% increase in cash-financed acquisitions and an 8.96% increase in diversifying acquisitions. These findings are consistent with the argument that women directors are less overconfident than their male counterparts and adopt a broader perspective in decision making, thereby mitigating the negative impacts associated with acquisition decisions taken by bidders. However, the market seems to adopt a cautious approach in valuing women directors' contribution to these decisions. On average, there is no association between the influence of female directors on these decisions and bidders' announcement period abnormal return. However, bidders accumulate long term value gains through the contribution made by their female directors to these acquisition choices.

Do Differences in Directors Make A Difference? Evidence from a Developing Country

Christophe Moussu *(ESCP Europe, France)*, **Nhung Nguyen** *(ESCP Europe, France)*

Abstract

The issue of board heterogeneity and its impact on firm outcomes in developed economies is well documented. Whether or not board diversity plays a role in emerging markets, however, is an open question. In this paper, we investigate the impact of board heterogeneity on the performance for Vietnamese listed firms over the period 2011-2015. Using a multi-dimensional index of board heterogeneity, we observe that board heterogeneity has a positive effect on firm performance. This is

consistent with the hypothesis that heterogeneous board members who vary in perspectives, preferences, and incentives, offer superior governance capabilities, both in terms of control and strategic advising. Our results are robust to the introduction of firm fixed effects, the use of an instrumental variable, and variations in the definition of the board diversity index. We also observe that the positive effect of board heterogeneity is mitigated for more complex firms, when certain directors (alternatively the chairman) are in a clear dominant position in the board, as well as in state-controlled firms, where the role and power of the state is high. This indicates that a powerful director tends to stifle the positive inputs contributed by diverse directors. Besides, heterogeneity of certain group of directors places effect on firm performance. Overall, our analysis suggests that board heterogeneity plays an important role in fast-growing emerging countries and is not an issue restricted to developed economies.

Board Gender Diversity, Power, and Bank Risk Taking

Heba Abou-El-Sood *(Zayed University, UAE)*

Abstract

There has been an ongoing debate on whether board gender diversity, as a governance mechanism, affects corporate outcomes. Having female board members brings ethical perspectives and new resources to decision making. However, there is lack of evidence on whether it mitigates bank investment in highly risky assets. This paper addresses the question of whether and how female directorship mitigates bank excessive risk taking. It complements the normative corporate governance literature by combining agency theory and approach/inhibition theory of power from social psychology. It employs a two-stage and a difference-in-difference framework to obtain rigorous empirical results. In a sample of 150 U.S. publicly traded commercial banks during 2002–2013, banks with more female directors undertake less risky investments. Results are significant after controlling for other governance mechanisms and bank characteristics. Banks invest in more risky assets when female directors perceive the positive rewards of risky investments (in banks that have larger regulatory capital ratios and/or are well-capitalized) and when power shifts away from them due to CEO equity ownership. On the other hand, banks invest in less risky positions when female directors perceive the penalties inherent in a risky investment during the financial crisis.

This paper provides novel evidence on the effect of female directorship, as a governance mechanism, on risk taking in a social-psychology context. It offers insights to bank regulators on the effect of embedding gender diversity in corporate boards. It enhances prudent risk taking and the role of effective governance structures in mitigating excessive risk during economic turmoil.

Affine Stock and Bond Pricing, Surplus Consumption and Inflation News

Ka Wai Terence Fung *(City University of New York, United States)*, Jun Lou *(City University of New York, United States)*, Jonas J. Nazimoff Shaende *(Fiscal Policy institute, United States)*, Tat Wing Wong *(The Chinese University of Hong, Kong Hong Kong SAR China)*

Abstract

In search for a coherent framework that can examine a blend of Asset Pricing topics – joint stock-bond pricing, consumption-based puzzles, time variation in risk preference, among others, we propose a consumption-based affine model that jointly prices bond and stock in closed form. The tractable price solutions, conventionally characterized in affine term structure of interest rates, now present novelty for the stock prices. Using GMM based estimation procedures, we find the model broadly matching most first and second moments of stock, bond and macro variables, the time-series behavior and long-horizon predictability of returns. We contrast our model with prior habit frameworks to reveal some of their imprecise predictions and our model's more plausible accountability in risk aversion. Specifically, a revisit to Campbell-Cochrane habit model using current data exposes the increasingly widening gap in prediction of post-1990s pricedividend ratio. Meanwhile, an out-of-sample test indicates improved predictive power in our model for stock price dynamics particularly during more recent decades.

Herding for Profits: Market Breadth and the Cross-Section of Global Equity Returns

Adam Zaremba *(Poznan University of Economics and Business, Poland & University of Dubai, UAE)*, Andreas Karathanasopoulos *(University of Dubai, UAE)*, Mateusz Mikutowski *(Poznan University of Economics and Business, Poland)*

Abstract

This paper shows that market breadth, i.e. the difference between the average number of rising stocks and the average number of falling stocks within a portfolio, is a robust predictor of future stock returns on market and industry portfolios for 64 countries for the period between 1973 and 2018. We argue that market breadth captures herd behavior and show that high market breadth portfolios significantly outperform low market breadth portfolios, and that this effect is robust to effects such as size, style, volatility, skewness, momentum, and trend-following signals. In addition, the role of market breadth is particularly strong among markets characterized by high limits to arbitrage, following bullish periods, and in collectivistic societies, supporting behavioral explanations of the phenomenon. We also examine practical implications of the effect and our results indicate that the effect may be employed for equity allocation and market timing, although frequent portfolio rebalancing can lead to higher transaction costs that may have an effect on profitability.

Portfolio Allocation across Variance Risk Premia

Julien Chevallier *(Université Paris 8 Vincennes-Saint-Denis & IPAG Business School, France)*, Dinh-Tri Vo *(IPAG Business School, France & University of Economics Ho Chi Minh City, Vietnam)*

Abstract

In asset management, what if clients want to purchase protection from risk factors, under the form of variance risk premia? This paper addresses this topic by developing a portfolio optimization framework based on the criterion of the minimum variance risk premium for any investor selecting stocks with an

expected target return while minimizing the risk aversion associated to the portfolio according to "good" and "bad" times. To accomplish this portfolio selection problem, we (i) compute variance risk-premium as the difference from high-frequencies' realized volatility and options' implied volatility stemming from 19 stock markets; (ii) estimate a 2-state Markov-switching model on the variance risk-premia; (iii) optimize variance risk-premia portfolios across non-overlapping regions. We assess the portfolio performance determined by the variance-covariance matrices that are derived by four models: (i) "naive" (Markowitz returns benchmark), (ii) non switching VRP, (iii) maximum likelihood regime-switching VRP, and (iv) Bayesian regime switching VRP. We examine the best return-risk combination through the calculation of the Sharpe ratio. We also assess another different portfolio strategy: the risk parity approach. The period goes from March 16, 2011, to March 28, 2018. We find that optimized portfolios based on variance-covariance matrices stemming from VRP do not consistently outperform the benchmark based on daily returns. Several robustness checks are investigated by minimizing historical, realized or implicit variances, with/without regime switching. In a boundary case, accounting for the RV risk factor in portfolio decisions can be seen as a promising alternative from a portfolio performance perspective. As a new management "style", the realized volatility approach can, therefore, bring incremental value to construct the conditional covariance matrix estimates.

D3. Banking Regulation and Financial Services III

Systemic Risk in the Scandinavian Banking Sector

Gazi Salah Uddin *(Linköping University, Sweden)*, Md Lutfur Rahman *(University of Newcastle, Australia)*, Axel Hedström *(Linköping University, Sweden)*, **Bo Sjo** *(Linköping University, Sweden)*

Abstract

The banking sectors in the Nordic countries are quite concentrated and have suffered from banking crises following international shocks in combination with undercapitalization. This paper analyses the systemic risk in the Scandinavian banking sector (Denmark, Norway and Sweden). We look at risks spreading from individual banks to the whole sector by using, partly in a new way, conditional cross-quantilograms. We find that the cross-quantilograms are positive and statistically significant in the low and high quantiles. This indicates that the Scandinavian banks are systemically linked and show a tendency to boom and crush along with the market. These results hold even after controlling for equity market volatility and economic policy uncertainty. We further observe that the systemic risk was insignificant from the early-2000 to the outbreak of the global financial crisis (GFC). After the GFC and the euro zone crises it has increased substantially. Finally, we find that bank size has a positive relationship with systemic risk while return on assets and the loan-to-deposit ratio exhibit a negative influence. Further, these relationships are asymmetric across quantiles.

Risk of Window Dressing: Quarter-End Spikes in the Japanese Yen Libor-OIS Spread

Jiayue Zhang *(Hong Kong Monetary Authority, Hong Kong SAR China)*, Alfred Wong *(Hong Kong Monetary Authority, Hong Kong SAR China)*, Mayu Kikuchi (*Wellesley College, United States)*

Abstract

It is well documented in literature that funding condition is subject to the undue influence of distorted incentives of banks to lend and borrow at quarter ends under Basel III. We investigate whether or not funding risk could also possibly suffer the same. Using a state space model, we find quarter-end spikes in the Japanese yen Libor-OIS spread, which arguably reflect a higher funding risk, during the global financial crisis and in recent years. The phenomenon in the former episode suggests that quarter-end reporting under Basel II might have already had an effect on the functioning of funding markets. The spikes in the latter episode are found to be negative, reflecting partly the scarcity of high-quality collaterals against the backdrop of a large-scale asset-purchase program of the Bank of Japan and partly a negative interest rate environment. The evidence adds to the argument in favor of supervisory practices that require banks to report their average leverage ratio for the quarter instead of their ratio for the last day of the quarter.

Money Creation under Multiple Regulations in the Presence of an Interbank Market

Xiaoyun Xing *(Beijing Normal University, China & Center for Polymer Studies, Boston University, United States)*, Yougui Wang *(Beijing Normal University, China)*, H. Eugene Stanley *(Boston University, United States)*

Abstract

Since the recent financial crisis along with more concentration of banking supervision, we have stepped into a new regulatory regime where both liquidity and capital regulations are implemented simultaneously. Interbank lending and borrowing occur when financial institutions seek to settle and

refinance their mutual positions over time and circumstances. In this paper, we study the impact of interbank liquidity trading on money creation in an agent-based banking system who is supervised by multiple regulations. According to the credit creation theory of banking, commercial banks can create both money and loans through lending. However, this bank lending process will be constrained by prudential regulations. Each regulatory instrument imposes a credit capacity which is determined by the most stringent regulation. Those banks, who are bound by liquidity regulations, may borrow liquid assets in the interbank market as long as other banks with excess liquidity have confidence in the market. A larger quantity of liquidity trading would lead to an increase in money supply provided by the banking system. We put forward an agent-based model of commercial banks each of which is described by a simplified balance sheet. The result obtained in this paper facilitates the understandings about the interaction between the interbank market and prudential regulations.

Bank Regulation and Systemic Risk: Cross Country Evidence

Lei Chen *(University of Sheffield, UK)*, Hui Li *(Loughborough University, UK)*, **Hong Liu** *(University of Aberdeen, UK)*, Yue Zhou *(University of Glasgow, UK)*

Abstract

Using data for banks from 18 countries for the period 2001-2012, we investigate the impact of bank regulation and supervision on individual banks' contribution to systemic risk. Our cross-country empirical findings show that bank activity restriction, initial capital stringency and prompt corrective action are all positively related to systemic risk, measured by Marginal Expected Shortfall (MES). Our results hold for the instrumental variable analysis and other robustness tests. We also find that the level of equity banks have can alleviate such effect, while bank size is likely to enhance the effect. Our results do not argue against bank regulation, but rather focus on the design and implementation of regulation.

Financial Sector Foreign Aid and Financial Intermediation

Anna Agapova *(Florida Atlantic University, United States)*, Sharmila Vishwasrao *(Florida Atlantic University, United States)*

Abstract

The effectiveness of foreign aid is typically measured by the effect of aid on economic growth. Prior literature provides ambiguous results on this effect partly due to the aggregation of aid to different sectors and the small amount of foreign aid relative to the economy in most countries. Because growth in financial intermediation and financial markets has been shown to play a key role in spurring economic growth, in this paper we focus on aid to the financial sector and seek to identify the causal effects of foreign aid to the financial sector on financial intermediation. Using fixed effects OLS and system GMM methods for a panel of countries from 1995 to 2013, we find that foreign aid to the financial sector primarily reduces claims on the government sector and has no effect on claims to the private sector, liquid liabilities of the banking sector and interest rate spread between borrowing and lending rates. This effect persists even after controlling for country institutional characteristics, such as trade openness and rule of law. Thus foreign aid reduces the need for public sector borrowing but does not appear to have any benefits for financial intermediation in the private sector. We verify that the relationship is not spurious by using overall foreign aid and aid to the health sector for falsification tests.

Short Sellers' Fraud Allegations, Chinese Reverse Mergers, and Simultaneity of Corporate Financial Trilogy

Abdul Ghafoor *(Monash University Malaysia, Malaysia)*, Duc Khuong Nguyen *(IPAG Business School, France)*

Abstract

This study investigates the impact of short sellers' fraud allegations on corporate financial trilogy (investment, financing, and dividends) of Chinese Reverse Merger (CRM) firms listed in US. Using short activist dataset for the period of 2009-2015, we identify a sample of 57 firms that were accused of fraud by short sellers. Results indicate that fraud accusations of short sellers have significantly negative effect on the financing, investment, and dividends payouts of the CRMs. Furthermore, the 3SLS results seem to substantiate the claim that due to resulting information asymmetry and market imperfections of fraud discovery, corporate investment, financing, and payout decisions are jointly determined as implied by the flow-of-funds framework. The strength of interdependence increases in the post fraud allegation period. The study findings offer new insights that short sellers bring severe market imperfections for alleged firms that subsequently increase the simultaneity among corporate financing, investment, and payout decisions, and reduces managerial flexibility in adjusting those corporate decisions in response to resulting market penalties of fraud.

Operating Leverage and Bond Yield Spreads: Differentiating between Cash and Accrual Operating Leverage

Ting-Kai Chou *(National Cheng Kung University, Taiwan)*, Henock Louis *(Penn State University, United States)*, **Zili Zhuang** *(Chinese University of Hong Kong, Hong Kong SAR China)*

Abstract

The cost of debt is expected to increase with operating leverage. However, this expectation may not hold because of the countervailing effect of collaterals on the cost of debt. Default risk is more likely to be associated with the cash component of operating leverage, which is less likely to be related to collateralized assets. Fixed cash costs could exacerbate the risk associated with more volatile future cash flows and downside cash flow risk, and thus increase the cost of debt. Consistent with our conjecture, the evidence shows that higher bond yield spreads increase with cash operating leverage but not with accrual operating leverage. The effect of cash operating leverage get stronger as the bond market gets more efficient, when investors are more pessimistic about a firm's prospects, when the firm is operated less efficiently, and when the firm's sales are volatile and difficult to predict.

The Effects of Environmental Policies on the Singapore Stock Exchange

Huy Pham *(RMIT University, Australia)*, Van Nguyen *(Ton Duc Thang University, Vietnam)*, Vikash Ramiah *(University of Wollongong, United Arab Emirates)*, Priyantha Mudalige *(Curtin University, Australia)*, Imad Moosa *(RMIT University, Australia)*

Abstract

This study examines the impact of environmental regulations on the Singapore stock market using event study methodology. We use several asset pricing models to estimate sectoral abnormal returns. Additionally, we estimate the change in systematic risk after the introduction of the carbon tax. To control for spill-over effects across markets: Asia, Europe and the U.S., we conduct various robustness tests including Corrado (1989) non-parametric ranking test, Chesney et al. (2011) non-parametric conditional distribution approach and market integration. Our results show that the Singapore stock market experiences mixed reactions to the announcements of environmental regulations. Interestingly, our findings show a positive and highly sensitive market reaction to the announcement of the carbon tax on the biggest polluters--facilities producing 25,000 tonnes or more of greenhouse gas emissions per annum from 2020.

Carbon Disclosure, Carbon Performance and Financial Performance: International Evidence

Abubakar Siddique *(United Arab Emirates University, UAE)*, Afzalur Rashid *(University of Southern Queensland, Australia)*, **Md Akhtaruzzaman** *(Australian Catholic University, Australia)*

Abstract

Extant research reports conflicting results regarding the relationship between carbon performance and carbon disclosure. We have revisited and re-examined this relationship by using a large sample of global companies in the context of socio-political and economic-based voluntary disclosure and signalling theories. Our results indicate that carbon performance positively affects carbon disclosure. We find a negative relationship between carbon performance and financial performance in the short run, but a positive relationship in the long run. Our findings have important implications for both policymakers and practitioners. These results help regulators monitor carbon disclosures and investors in their investment decisions.

Does Corporate Social Responsibility Enhance Financial Performance? Evidence from Australia

Van Ha Nguyen *(Foreign Trade University, Vietnam)*, Frank W Agbola *(University of Newcastle, Australia)*, Bobae Choi *(University of Newcastle, Australia)*

Abstract

Despite the heightened interest in corporate social responsibility (CSR) in recent years, the question of whether CSR affects a firm's financial performance remains unresolved. This article tests the agency cost and value enhancement hypotheses using a sample of Australian publicly listed firms over the period 2009–2015. Consistent with the value enhancement hypothesis, the empirical results indicate that CSR enhances financial performance. The positive relationship is more pronounced in mining compared with non-mining firms. The financial benefit of CSR is attenuated for firms operating in more competitive industries as opposed to less competitive industries. Overall, the study's findings highlight the importance of industry characteristics in explaining the effects of CSR on financial performance.

Impact of Directors' Networks on Corporate Social Responsibility

Monomita Nandy *(Brunel University, UK)*, Suman Lodh *(Middlesex University, UK)*, Jaskaran Kaur *(Brunel University, UK)*, Jin Wang *(Brunel University, UK)*

Abstract

We investigate the relationship between directors' networks and corporate social responsibility (CSR) activities by using an unbalanced panel data of 776 publicly listed firms from 28 countries during 2003 – 2016. Drawing on network theory, stakeholder theory, and institutional theory, we find that directors' professional networks are positively related to their decision of CSR activities compared to their personal networks. We also observe a significant positive relation between directors' network centrality and a firm's CSR activities. Additionally, we find a positive relation between directors' personal networks and CSR during financial crises. Our results still hold after a set of sensitivity tests. The findings of our study contribute to the academic literature related to directors' networks and CSR activities, and assist policymakers in understanding the importance of directors' networks as determining factors of CSR policies.

Does the Apple Fall far from the Tree? Banks' Performance in Emerging Markets

Malgorzata Iwanicz-Drozdowska *(Polish Financial Supervision Authority & Warsaw School of Economics, Poland)*, Bartosz Witkowski *(Warsaw School of Economics, Poland)*

Abstract

In this paper the performance drivers for subsidiaries and their parents are analysed in order to find out how both groups of banks are similar in this respect. We cover in our study about 2,900 bank-year observations for subsidiaries from 32 emerging markets and about 900 bank-year observations for 49 parent companies operating internationally. We conclude that in the case of cost control capital adequacy and asset quality their importance is similar for subsidiaries and their parents and they are strictly coordinated, while the remaining determinants allow for more flexibility. We also find out that subsidiaries from the EU and the countries which were not vassalized by countries of their respective parent companies do not "fall far from the tree", as subsidiaries from non-EU and previously vassalized countries. While the former phenomenon is regarded as a sign of stronger integration, the latter underlines striving for greater economic independence.

Measuring the Deadly Embrace: Systemic and Sovereign Risks

Francisco Nadal De Simone *(Luxembourg School of Finance & Sacred Heart University, Luxembourg)*

Abstract

This study contributes to the literature by making a first step toward implementing a comprehensive internally coherent measurement of systemic risk in a country. It measures systemic risk and the ensuing conditional contingent liabilities of the sovereign stemming from Luxembourg's Other Systemically Important Institutions (OSIIs), the Global Systemically Important Banks (G-SIBs) to which they belong, the investment funds sponsored by the OSIIs, the household and the non-financial corporate sectors. The estimated systemic contingent claims are included in a stochastic version of the general government balance sheet to gauge their impact on the country's sovereign risk. Results indicate that time-varying conditional implicit guarantees from OSSIs are larger than those from G-SIBs and investment funds, while systemic risk stemming from the household and non-financial corporate sectors is moderate. The robustness of the sovereign is not drastically affected by systemic risk stemming from the rest of the economy. However, illustrating the so-called "deadly embrace", sovereign risk would significantly rise as a result of a historically plausible increase in sovereign assets value volatility combined with an economy-wide shock. Such adverse scenario supports the view that preserving financial stability requires both a resilient financial sector and a sustainable fiscal position.

Anomaly Detection in RTGS Systems: Performance Comparisons between Shallow and Deep Neural Networks

Luca Arciero *(Bank of Italy, Italy)*, **Giuseppe Bruno** *(Bank of Italy, Italy)*, Sabina Marchetti *(Bank of Italy, Italy)*, Juri Marcucci *(Bank of Italy, Italy)*

Abstract

Anomaly detection is a critical application in many fields, such as fraud detection in finance or the timely discovery of banking liquidity shortages. However, reaching a high level of accuracy (i.e. low false alarms along with few misses) is a very challenging task. The aim of this paper is to use deep neural networks

belonging to the family of Autoencoders, in order to evaluate their performance in the timely discovery of anomalous payment patterns in the Italian component of the Interbank Payment System TARGET2. The paper extends the work by Triepels et al. (2017) using deeper autoencoders. We find that increasing the depth of the Autoencoder allows an accurate evaluation of the network of participating institutions. Furthermore Autoencoders can easily detect changes in the liquidity ows between participating banks.

International Spillover of US Monetary Policy through Bank Lending: Evidence from Bank-level Data

Seungyoon Lee *(Bank of Korea, South Korea)*

Abstract

This paper investigates international spillover of the US monetary policy from banklevel data of Asian countries. We find that US monetary policy have strong transmission to local bank loan growth and loan rates of banks operating in the Asian countries. By investigating heterogeneous bank characteristic in propagation, we find banks with higher noncore (non-deposit) liabilities in their balance sheet are affected by US monetary policy greater than banks with lower noncore liabilities. These results imply that the existence of noncore liabilities and foreign debt that accounts a significant portion of the noncore liabilities play an important role in international transmission of US monetary policy through banking sector.

Do Family Ties Affect Family Firm Performance? Evidence from East Asia

Hong Nhung Le *(International University – Vietnam International University, Vietnam & University of Strasbourg, France)*

Abstract

The study investigates the effect of family on firm performance in East Asia. We also examine the indirect impact of family on firm performance by uncovering the influence of family on firm strategies which are research and development (R&D) and leverage. Structural equation model (SEM) is applied to capture simultaneous relationships. Our findings show that family ties are important factor influence firm performance and firm strategies. Families with strong family ties contribute positively to firm performance. Meanwhile, families with weak family ties make family firms perform worse than nonfamily firms. In addition, families with strong family ties influence firm strategies such as borrowing more and investing less in R&D than nonfamily firms. In contrast, families with weak family ties show no role on determining firm strategies. Our results are robust to alternative family value measurements as well performance measurements.

Does Stock Liquidity Enhance or Impede Dividend Payout? Evidence from Australian Market

Truong-Giang Nguyen *(RMIT University, Australia)*

Abstract

Literature suggests several ways stock liquidity can either positively or negatively impacts on firm dividend. In this paper, I investigate the impact of stock liquidity on firm dividend payout policy in Australian market. The finding suggests that stock liquidity positively relates to firm level dividend payout. The result holds after controlling for different model estimations and different measures of stock liquidity. To control for verve causality issue, I rely on an external shock in Australian market, named broker anonymity, which results to significant increase in stock liquidity. The result suggests that an increase in stock liquidity around this shock leads to an increase in firm dividend, pointing out that liquidity does have causal effect on firm dividend. I further document that stock liquidity enhances firm dividend through reducing future cash-flow volatility and the effect of stock liquidity on firm dividend is weaker for firms report imputation tax credit.

How Does Policy Uncertainty Affect Corporate Diversification?

Khanh Hoang (*National Economics University, Vietnam*), **Cuong Nguyen** (*Lincoln University, New Zealand & IPAG Business School, France*), Hailiang Zhang (*Kunming University of Science and Technology, China*)

Abstract

The research aims to investigate the linkage between corporate diversification and economic policy uncertainty (EPU) in China. We find that there is a positive association between economic policy uncertainty and corporate diversification, meaning that high economic policy uncertainty will lead to an increase of diversification for firms. This is consistent with the hypothesis that diversification is encouraged so that risk will be reduced when uncertainty increases. Our empirical results also show that the positive impact of EPU is significant for large-cap and medium cap firms, but not for small-cap ones. The findings also reveal that high EPU is associated with higher diversification, and the effect of EPU on diversification of SOEs is greater than that on non-SOEs' diversification. Our results are robust through different

measures of economic policy uncertainty and corporate diversification and remain significantly unchanged when dealing with endogeneity problems.

Further, regarding information asymmetry, diversification of the firms with a high number of analyst followers and equity reports will increase during high economic policy uncertainty. Our findings suggest that diversification plays an active role in mitigating economic-policy related risks, thus enhancing firm performance. The paper provides new insights into the relationship between economic policy uncertainty and diversification at firm level.

Risk Management in Clearing Corporations after Adoption of PFMI: A Cross-Country Comparison

Jayanth R. Varma *(Indian Institute of Management Ahmedabad, India)*, **Vineet Virmani** *(Indian Institute of Management Ahmedabad, India)*

Abstract

Given the increasing importance of central counterparty clearinghouses (CCPs) to developments of modern financial market infrastructure governed by the CPSS-IOSCO PFMI standards, in this study we look at the the risk management practices of select large CCPs across jurisdictions as they relate to their use of risk-based margin models and collection of margins, in particular whether margins are collected by CCP from clearing members on gross versus net basis. All the CCPs considered here except Eurex use some variant of SPAN to evaluate the risk of a portfolio of positions and compute the applicable margins for exchange traded derivatives. The analyses to sensitivity of margins to SPAN parameters shows that given the design of SPAN, certain positions (like short buttery) may be designed to fall between the cracks" and escape stringent margins. At the same time, we have shown that it is not dificult to improve SPAN parameters and fix its observed inadequacies. In the second part of the study, we provide a quantitative comparison for evaluating the impact of collecting margins in a gross versus net system with the margin period of risk alternatively set at one and two days. We also analyze the trade-offs in gross versus net margining in (a) the scenario where a large client of a clearing member defaults idiosyncratically and (b) in the scenario where defaults arise out of `crowded trades'. We are able to describe the conditions under which the higher MPOR does or does not ofset the risks induced by net margins.

Political Uncertainty and Market Volatility: Evidences from South-East Asia Countries

Mai Ngoc Tran *(Banking Academy of Vietnam, Vietnam)*, **Manh Ha Tran** *(Banking Academy of Vietnam, Vietnam)*, David Dickinson *(University of Birmingham, UK)*

Abstract

This paper examines the impact of political events in South-East Asia countries on stock market volatility. We use GARCH – based framework and alternative models to account for conditional heteroskedasticity, leverage effects and joint dynamics of country's stock index with the global index. We find that political uncertainty does have significant impacts on the stock market volatility of the South-East Asia countries.

The Gap-Filling Phenomena in the Stock Markets

Xiaohang Liu *(Beijing Normal University, China)*, Yan Wang *(University of California, United States)*, Ziyan Jiang *(Beijing Normal University, China)*, Qinghua Chen *(Beijing Normal University, China)*, Honggang Li *(Beijing Normal University, China)*

Abstract

There is a series of stylized facts in the stock markets, such as the fat-tailed distribution, volatility clustering of returns, asymmetric leverage effect, and they even have become the standard criteria for the verification of theoretical models. Beyond those facts, there are some superstitions that have not yet been verified by scholars, but spreading among stock traders. For example, to Chartists, there is an axiom about the stock gap which is \gaps always get filled". Chartists would like to take advantage of the regular pattern about the gap behavior to decide how they trade since they believe that the gaps always exist universally and the gaps should be closed quickly. However, there is no scientific demonstration of

the existence of these statements about the gap since there is a lack of suficient academic literature to discuss this kind of issue. This paper discusses some characteristics of the gap by collecting empirical data and reveals some similarities and differences of gaps between Chinese and American stock markets. The number of gaps in the United States is more than that in China and the time to fill the gap is slightly shorter. These indicate that the price movement in the US stock market is indeed more active than that in the Chinese market. By applying a random exchange process on the original data, there are significant changes among the statistical results, which means the real data series has some inherent structure behind the price variation. Further, this paper counts the no-trend data and its random shu_ing series. Some differences suggest that the overall trend hinders the gaps' generation and slows down the gaps' refilling process to a certain extent.

Does Cyber Tech Spending Matter for Bank Stability?

Md Hamid Uddin *(Taylor's University, Malaysia)*, Sabur Mollah *(University of Sheffield, UK)*, **Md Hakim Ali** *(Taylor's University, Malaysia)*

Abstract

This paper aims to investigate how digital transformation affects bank stability. This research issue is relevant because the fintech revolution during the post-financial crisis period pushes banks to embrace disruptive cyber technology more aggressively to remain competitive and retain market share. Banks improve operational speed and service quality by relying on cyber technology but expose themselves to formidable operational risks from cybersecurity hazards and systems breakdowns. However, they have no better alternative but to spend more on new technical solutions to combat technological hazards. Therefore, we examine if the law of diminishing return due to overspending on cyber technology would affect bank stability. Based on a global sample from 43 countries, we find that a marginal increase in cyber technology spending would adversely affect the stability of a bank. It is because banks take more than the proportional risk for every dollar they spend on disruptive cyber technology. While results persist across subsamples, we find two technological regimes, especially diminishing return regime can improve stability by further spending on technology aggressively and excess spending on disruptive cyber technology makes a bank more unstable in the increasing return regime.

European Bank's Performance and Efficiency

Maria Neves *(Polytechnic institute of Coimbra-Coimbra Business School & University of Tras-os-Montes and Alto Douro, Portugal)*, Maria Gouveia *(Polytechnic Institute of Coimbra-Coimbra Business School, Portugal)*, Catarina Proença *(Polytechnic Institute of Coimbra-Coimbra Business School, Portugal)*

Abstract

The research interest in bank profitability and efficiency is linked to the economic situation and an important issue for policy makers is to ensure economic stability. Nevertheless, managerial decisions and environment could play a critical role in ensuring proper and efficient allocation of the resources. The purpose of this study is to understand which are the main factors that can influence performance and efficiency of the 94 listed banks from Eurozone countries through a dynamic evaluation, in the period between 2011- 2016. To achieve this aim, the Generalized Method of Moments estimator technique is used to analyze the influence of some bank-specific characteristics, controlled by management, on the profitability as a measure of bank performance. After that, through the Value-Based DEA methodology, those factors are considered in determining the efficient banks. The results show that banking efficiency depends on set bank- specific characteristics, and that the effect of determinants on efficiency differs, considering the macroeconomic conditions.

Bank IPOs, Political Connections and (De)Regulations

Maria-Eleni Agoraki *(University of Peloponnese, Greece & IPAG Business School, France)*, Dimitrios Gounopoulos *(University of Bath, UK)*, **Georgios P. Kouretas** *(Athens University of Economics and Business, Greece & IPAG Business School, France)*

Abstract

[NA]

The Relationship between Exchange Rate and Real interest Rate Differentials: Evidence from Inflation Targeting Countries

Mulatu Zerihun *(Tshwane University of Technology, South Africa)*, Martin Breitenbach *(University of Pretoria, South Africa)*

Abstract
This study examines the long-run relationship between Real exchange rate and real interest rate (RERI) differentials over the period 1993-2018 using cointegration methods for a panel of 12 inflation targeting countries. For robustness, the study uses both univariate analysis (individual series, i.e. country by country) and panel methods. The findings show weak evidence of cointergration between real exchange rate and real interest rate differentials. The failure of finding strong significant relationship could be attributed to the choice of the data set which may include trends and cyclic variation or the sample of countries rather than the methodology.

Is Absolute Purchasing Power Parity for Spain Special?

Zhibai Zhang *(Nanjing University of Finance and Economics, China)*, Zhicun Bian *(Nanjing University of Finance and Economics, China)*, Minghua Zhan *(Guangdong University of Foreign Studies, China)*

Abstract
Previous researches reveal that the validity of absolute purchasing power parity (APPP) may be weak or special for Spain. Thus we explore its failure or special character by examining 18 bilateral real exchange rates (RERs) between Spain and its main trade partners. New conclusions about APPP are obtained. First, the validity of APPP for Spain is found to be very weak in general. Second, the validity of APPP for quite a few RERs is found to be not consistent with the Penn effect. Third, income level difference is proved to be less important than trade relationship in accounting for the deviation of APPP in some cases. Fourth, the adoption of the same currency is revealed to have improved the validity of APPP for the euro countries.

The Relationship between Macroeconomic Variables and Banks' Stock Returns in Vietnam

Xuan-Hoa Nghiem *(School of Economics, Finance and Marketing - RMIT University, Australia)*

Abstract
While there has been extensive research on the link between exchange rate, interest rates and bank stock returns in developed countries, empirical evidence on this vital relationship in developing countries is quite limited. We examine this relationship in the context of Vietnam – a developing economy whose banking sector has undergone ups and downs and is subject to further fundamental changes due to the implementation of the Basel II Accord.

Our results suggest that commercial banks whose state-onwership is still dominant seem to perform better when it comes to managing risks. While the exchange rate adversely affects stock returns of only 1 bank (VPBank – VPB), the effects of interest rate changes are more diverse. On the one hand, VietinBank (CTG) and Saigon-Hanoi Bank (SHB) are able to benefit from interest rate changes. On the other hand, Sacombank – STB & Vietnam Prosperous Bank – VPB have their stock returns negatively influenced by

interest rate changes. Interest rates of different maturities also have different impact on banks' stock returns. Our study has implications for both regulators and banks' stakeholders.

Financial Statement Comparability and Earnings Management in Frontier Markets

Wil Martens *(RMIT University, Vietnam)*, Prem Yapa *(RMIT University, Australia)*, Maryam Safari *(RMIT University, Australia)*

Abstract

With access to financial statement of 23 frontier countries, we find that in contrast with developed economies, enhanced financial comparability constrains managers' opportunistic engagement in accruals earnings management (AEM). We do not find a significant relationship between financial comparabilityand real earnings management (REM). Our findings suggest the scarce use of REM in frontier countries.

The Moderating Effect of Economic Conditions on the Relationship between Auditor's Independence and Non-Audit Fees: Evidence from Australia

Ammad Ahmed *(Zayed University, UAE)*, **Sumit Dhull** *(University of Technology and Education Ho Chi Minh City, Vietnam)*

Abstract

The present study's aim is to examine the moderate effect of economic condition (stable & unstable) on auditor's independence by targeting Australian financial distressed companies. Especially, the present study's intention is to ascertain whether and how non-audit services limit the auditor's independence (proxy by going concern decision) in different moderating economic conditions. We are able to obtain the final sample of this research, including 3,309 observations (unbalanced) from the year 2005 to 2014. After controlling for endogeneity, the 2SLS outcomes of present study imply that there could be the economic tradeoff for auditor's independence for the period between 2005 and 2007 compared to the 2008-2014 period. Regarding the 2008-2014 period, we detect strong evidence indicating that due to market-based incentives (litigation cost), auditors are more likely to avoid economic incentives (non-audit fees). In addition, we also find that the auditor gives more importance to the old clients than the new clients under stable economic condition. While, unstable economic environment result indicates no association between audit opinion, and non-audit fees and client importance. Additional analysis of present study indicates that our outcomes are robust across alternative explanatory variable of interest, and control variables.

Capital Structure Speed of Adjustment: Evidence from Emerging Economies

Yukti Bajaj *(Indian Institute of Technology Delhi, India)*, Smita Kashiramka *(Indian Institute of Technology Delhi, India)*, Shveta Singh *(Indian Institute of Technology Delhi, India)*

Abstract

Present study intends to investigate the dynamics of capital structure for a sample of firms listed on National Stock Exchange (NSE500) and Shanghai Stock Exchange (SSE380) over the period of 2009 to 2018 using the standard partial adjustment mechanism. The empirical analysis intends to explore the impact of macro-level factors (inflation rate, bond market and stock market development) on the target leverage to estimate the adjustment speed of sample firms. System Generalized Method of Moments (GMM) proposed by Blundell and Bond (1998) is deployed due to the use of dynamic short panel data. The findings suggest that the Indian firms revert back to their target leverage ratios at a higher rate as

compared to the Chinese firms (31% and 19% respectively). Further, the inflation rate, bond market and stock market development are significant factors impacting leverage in the case of India whereas only bond market development is significant factor impacting leverage in the case of China.

The Impact of Credit Rating on the IPOs of U.S. Banks

Maria-Eleni Agoraki *(University of Peloponnese, Greece & IPAG Business School, France)*, Dimitrios Gounopoulos *(University of Bath, UK)*, Georgios P. Kouretas *(Athens University of Economics and Business, Greece & IPAG Business School, France)*

Abstract
[NA]

Accounting for the Non-Linearity in the Relationship between Environmental Corporate Social Responsibility and Financial Performance using PSTR Model

Béchir Ben Lahouel *(IPAG Business School, France)*, **Younes Ben Zaied** *(EDC Paris Business School, France)*

Abstract

By employing a Panel Smooth Transition Regression model, this paper explores the idea of a regime switching as a novel framework in the analysis of the non-linear relationship between environmental performance and financial performance. The main purpose of the study is to ask to the long-standing question 'when it pays to be green?' by identifying the threshold values of environmental performance that determine the smooth movement from one regime to another. The methodology is applied, individually then globally, to a panel of listed French, German, Italian, and Spanish firms over the period 2005 to 2017. The results obtained from the estimation of the five models are various and different ranging from positive to negative. This is consistent with the theoretical model that predicts different possible relationships.

Is China a Source of Financial Contagion?

Md Akhtaruzzaman *(Australian Catholic University, Australia)*, Shamima Ahmed *(Western Sydney University, Australia)*, Syed Shams *(University Southern Queensland, Australia)*, Waleed Abdel-Qader *(Australian Catholic University, Australia)*

Abstract

The study examines the role China plays compared with the US in transmitting contagion to South Asian countries during crisis and noncrisis periods. Dynamic conditional correlation (DCC) increases during the contractionary periods of US and Chinese business cycles. Trade intensity positively influences DCC. Results from DCC models are reinforced by those from the Diebold–Yilmaz model that US and Chinese financial firms transmitted more spillovers than they received during the global financial crisis. Results are robust to the alternative specification of business cycles, USD or local currency returns, the application of the Markov regime-switching model, and the Diebold–Yilmaz model.

Modeling Short-Term Rate in a Soft Corridor

Sudarshan Kumar *(Indian Institute of Management Ahmedabad, India)*, **Vineet Virmani** *(Indian Institute of Management Ahmedabad, India)*

Abstract

In an effective corridor based framework, overnight call rate should be constrained between the standing lending and deposit rates. However, in India, there is evidence of call rate often breaching the corridor. Additionally, because of the presence of two lending facility at repo rate and marginal standing facility, there is also a possibility of multiple corridors. This study models this phenomenon as a soft corridor" by adapting the Jacobi diffusion process in a regime-switching state-space framework. Significant improvement in the likelihood, and lower AIC and BIC supports the hypothesis of the presence of multiple regimes. As a contribution to the state- space estimation literature, study proposes a novel alternative of the Lamperti transform along with the unscented Kalman filter to overcome the non-Gaussian error term of the state process.

Nonparametric Tests for Superior Predictive Ability

Thierry Post *(Nazarbayev University, Kazakhstan)*, Valerio Potì *(University College Dublin, Ireland)*, Selcuk Karabati *(Koç University, Turkey)*, **Stelios Arvanitis** *(Athens University of Economics and Business, Greece)*

Abstract

A nonparametric method for comparing multiple forecast models is developed and implemented. The hypothesis of Optimal Predictive Ability generalizes the Superior Predictive Ability hypothesis from a single given loss function to an entire class of loss functions. Distinction is drawn between General Loss functions, Convex Loss functions and Symmetric Convex Loss functions. The Optimal Predictive Ability hypothesis is formulated in terms of moment inequality conditions. The empirical moment conditions are reduced to an exact and finite system of linear inequalities based on piecewise-linear loss functions. The hypothesis can be tested in a statistically consistent way using a blockwise Empirical Likelihood Ratio test statistic. A computationally feasible test procedure computes the test statistic using Convex Optimization methods and estimates conservative, datadependent critical values using a majorizing chi-square limit distribution and a moment selection method. An empirical application to inflation forecasting reveals that a very large majority of thousands of forecast models are redundant, leaving predominantly Phillips Curve type models, when convexity and symmetry are assumed.

Venture Capital Networks in Southeast Asia: Network Characteristics and Cohesive Subgroups

Natdanai Aleenajitpong *(Thammasat University, Thailand),* Arnat Leemakdej *(Thammasat University, Thailand)*

Abstract

Venture capital firms (VC) have encountered with uncertainty and risk of asymmetric information due to an investment in early-to-growth stage start-ups with technology-based and high growing potential. Venture capital syndication network helps reduce a broad gap of information asymmetry in a venture capital investment. Moreover, network connections are found to be the success factor for venture capitalists under a lack of fully-developed institutional environment in emerging market. Venture capital industry in Southeast Asia is nascent yet in demanding and fast growing. Despite a decline in the number of venture deals in the US, the deals keep surging in Southeast Asia (SEA), one of the most significant and dynamic propellers of the world economy. To develop the entrepreneurial ecosystem in SEA, it is interesting to examine how VC firms are connected to one another. Even though several literatures found some distinctive network characteristics amidst the US, European and Chinese venture capital market, the Southeast Asian has left unattended. In this paper, we initiate the network of venture capital firms among Southeast Asian nations and explore its relationship through social network analysis. The purposes of this study are to investigate the topological and statistical properties of VC network consisting of small-world behavior, power law distribution, centrality measure such as degree, closeness, and betweenness. In addition, we diversify different levels of connection into subnetwork and examine the influential groups of VCs in Southeast Asia.

We initiate the empirical study on the characteristics of VC network across different countries in Southeast Asia using the unique hand-collected dataset of syndicated deals. Social network analysis has initially and preliminarily been applied to the VC network in this region. This paper contributes to VC network literature in providing a unique network structure and network metrics of venture capital in SEA. In managerial contribution, this study provides more structural VC cooperation towards the government and cooperates, who can facilitate more open innovation practices to create a better open environment and innovation ecosystem among accelerators, investors, and startup companies (including SMEs). The results also confirm previous evidence of significance on networks in emerging market that there is a presence of a strong venture capital network in this region, even if the institution and regulation are claimed to fall behind that in the developed region. This research introduces the fact that the venture capital network in Southeast Asia has small-world pattern and Singapore acts as a hub of venture capital market in the region. Top-ranking VC firms have been listed by network centrality across nations. Multi-company syndication is prevailing in Southeast Asia.

Would the Mutual Fund Rating that Evaluates Managers Skill Be Better?

Chen Yugang *(Sun Yat-Sen University, China),* **Liu Yu** *(Sun Yat-Sen University, China)*

Abstract

We construct an original mutual fund rating system (Skill-rating) that evaluates the skill of equity fund managers in China. Performance of five-star funds are examined to verify the effectiveness of the Skill-rating. We find that both the Skill-rating five-star (SR-5S) fund portfolio and the Morningstar five-star (MS-5S) fund portfolio outperform the market. In addition, the SR-5S fund portfolio beat its counterpart MS-5S portfolio regardless whether portfolio performance is measured by raw return or abnormal returns

measured by either CAPM model or FF factor model. Timing skill and stock picking skill are the primary driver for the difference in performance between the SR-5S fund and MS-5S fund portfolios. Further analysis shows that the departure of a MS-5S fund manager makes no significant change, while the departure of a SR-5F fund manager comes with a significant performance loss, indicating that Morningstar rating does not effectively identify managers' skill, while the Skill-rating method is capable of discovering truly skilled fund managers.

High-frequency Trading and Expected Volatility: Evidence from Australia

Khairul Zharif Zaharudin *(Massey University, New Zealand & Universiti Utara Malaysia, Malaysia)*, Martin R. Young *(Massey University, New Zealand)*, Wei-Huei Hsu *(Massey University, New Zealand)*

Abstract

We examine high-frequency trading (HFT) activity and presence surrounding the S&P/ASX 200 VIX index (AXVI) introduction events in September 2010 (AXVIEOD) and February 2013 (AXVIRT). The AXVI is a forward-looking index which measures investors' short-term expected volatility. We use three measures of HFT proxies, namely order-to-trade ratio, cancellation ratio, and average trade size in this study. We find higher HFT activity in the post-event period, which is likely driven by a greater number of orders revision. HFT presence is also found to be stronger after the AXVIRT event. In addition, we are also motivated to investigate the impact of different expected volatility level on HFT activity. Our findings show that there is greater HFT activity but weaker HFT presence in the market during periods of high expected volatility.

Does Corporate Governance Really Matter for Bank Efficiency? Evidence from ASEAN countries

Thi Lam Anh Nguyen *(Banking Academy of Vietnam, Vietnam)*

Abstract

This study examines the effects of corporate governance on cost and profit efficiency of commercial banks in six ASEAN countries over the period of 2007-2014. The bank efficiency levels are estimated using the stochastic frontier approach (SFA) model of Kumbhakar, Lien, and Hardaker (2014). The impacts of various corporate governance aspects on bank efficiency are estimated using the Dynamic System Generalized Method of Moments (GMM). The results indicate that banks with higher degrees of government ownership exhibit higher levels of cost efficiency, but do not show a significant difference in profit efficiency levels compared to private and foreign banks. Banks with larger boards are more cost efficient in both long-term and short-term but only more profit efficient in shortterm. In addition, no significant evidence is found for the impacts of foreign ownership, board independence, and CEO duality on both cost and profit efficiency.

The Market Structure and Credit Growth in the EU Banking Sectors

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

Abstract

The aim of this research is to investigate the impact of market structure and foreign ownership on the growth of bank loans (corporate, consumer, and residential mortgage loans) in the EU in the context of microprudential capital regulation and macroprudential policy instruments. Our analysis proposes both macro-level and micro-level assessment of relationship between the market structure and credit growth. Using the two methodologies: the linear interacted panel Vector Autoregression model (interacted panel VAR) and single-equation model this study finds differences in the determinants of the growth of loans for the two groups of countries: the CEE-12 countries (Bulgaria, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Romania, Malta, Cypr) and the other countries (Austria, Belgium, Denmark, Finland, France, Greece, Italy, Spain, the Netherlands, Ireland, Germany, Portugal, Sweden, the United Kingdom). Panel data analysis of CEE-12 countries against other EU countries also finds differences between determinants of different types of bank loans. Firstly, we find that lower market concentration (as measured by HHI or CR5 index) or bigger market competition (in terms of the Lerner index) increases the procyclicality of consumer loans and mortgages, but not of corporate loans. Secondly, lower penetration of foreign capital considerably prolongs the impact of cyclical shocks to household borrowings. Thirdly, mortgage credits tend to react stronger in more concentrated banking sectors or those dominated by foreign banks. The evidence of a specific role of the mortgage credit channel is also confirmed by bank-level panel data with a single-equation model for concentration measures. In the micro-panel, we also encounter some heterogeneities between advanced and transition EU economies. The results support sectoral and country-specific approach in a macroprudential policy.

Macroprudential and Monetary Policies: The Need to Dance the Tango in Harmony

José David Garcia Revelo *(Université d'Orléans LEOCNRS, France),* **Yannick Lucotte** *(Université d'Orléans LEO-CNRS, France),* Florian Pradines-Jobet *(Paris School of Business, France)*

Abstract
The Great Recession during the late 2000s and early 2010s has led to a strengthening of macroprudential policies over the world in order to address systemic risk concerns. However, the effectiveness of those measures remains unclear. The ex- isting literature fails to demonstrate clearly that macroprudential policies address effectively financial vulnerabilities. Moreover, the impact of these policies is often assessed regardless of the monetary policy stance, which is another main determinant of financial stability. This empirical paper aims to fill this gap by at least two ways. Based on a sample of 37 countries covering the period from 2000Q1 to 2014Q4, we first propose to re-evaluate the effectiveness of the macroprudential policies to limit excessive credit growth by considering different measures accounting for the macroprudential policy stance. Second, we also test whether the impact of prudential policies is strengthened by the monetary policy stance, measured through the Taylor gap. Our results indicate that changes in macroprudential policies effectively reduce the credit growth, but there is a transmission delay approximately of one year to be effective. Interestingly, this delay fell to one quarter when macroprudential and monetary policies move in the same direction simultaneously which is a new finding.

Risk Associated to Initial Coins Offerings

Thi Thu Thuy Dao *(University Paris 8, France)*

Abstract

In the era of innovation and digital market, words like Blockchain and Cryptography spread far and wide. They open new diverse opportunities for the investors and the issuers like startups. In other words, in this alternative market, the issuers having the business model based on blockchain platform of the decentralized network can raise capital by holding the Initial Coin Offerings (ICO) instead of seeking venture capital investors, crowdfunding or do the IPO on the securities market. My paper contributes the descriptive statistics on various characters of over 3000 ended ICOs from 2014 to the end of 2018. Their associated risk also analyzed in different regions by studying value at risk (VaR), expected shortfall (ES) and minimum capital requirement guided by BCBS (2013).

Formal Institutions, Culture, and initial Coin Offerings: A Cross-Country Analysis

Özgür Arslan-Ayaydin *(University of Illinois at Chicago, United States)*, **Prabal Shrestha** *(Catholic University of Leuven, Belgium)*, James Thewissen *(Catholic University of Leuven, Belgium)*, Wouter Torsin *(Catholic University of Belgium)*

Abstract

ICOs (Initial Coin offerings) allow entrepreneurs to raise capital from investors internationally without relying on an intermediary. Through ICO, entrepreneurs offer blockchain-based tokens with multitude of features in exchange for the investors' contribution. However, given the distant online nature of the transactions, and the limitations of regulatory oversight, these ICOs are still perceived risky by general investors. Considering these context specificities, we pose that investors infer trustworthiness of these ICOs through their country of origin. Using the institutional strength as a proxy for the investors' perception of the ICO's legitimacy, we find that ICOs originating from countries with stronger institutional background have a greater likelihood of meeting their goal of being traded on a secondary market, raising more funding during their offerings, and experiencing lower price volatility on the secondary market. We observe that this relationship is particularly relevant when regulations concerning ICOs are absent. Furthermore, we observe that the positive relationship between instituional background and investors decision to contribute to an ICO project is moderated by cultural dimensions of uncertainty avoidance and collectivism. In this manner, this study provides a broadbased evidence for the role of institutions and culture on motivating investors trust in an ICO setting.

Overfunding and Signalling Effects of Herding Behaviour in Crowdfunding

Svatopluk Kapounek *(Mendel University in Brno, Czech Republic)*, Zuzana Kucerova *(Mendel University in Brno, Czech Republic)*

Abstract

The paper employs dynamic market-wide herding measure on 117,166 lending-based campaigns on 119 online platforms in 37 countries. Our dynamic herding behaviour measure explores whether lenders follow each other at the whole crowdfunding market, within the groups of top platforms, within the specific category or platform, and within the specific category in the specific platform.

We show that herding behaviour plays an important signalling role to reduce opportunity costs if the auction does not receive enough money bids. Additionally, our threshold models identify significant herding behaviour after funding goals are raised and highlight negative effects of signalling mechanisms which lead to adverse selection at crowdfunding markets.

V-shape Disposition Effect and Rank Effect in Chinese Stock Market

Pei Liu *(Newcastle University, UK)*

Abstract

This paper analyzes whether do V-shape disposition effect and rank effect exist in Chinese stock market. We use a sample of 5,000 individual investors with more than 2 million transactions from January 2007 to May 2009, which enable us to compare individuals' trading behavior during the booming, crashing, and recovering period. After controlling for firm-specific information, holding period or the level of returns itself, we find that V-shape disposition does not exist in our result. Rank effect is also different in Chines market. Compared with investors in the US market, Chinese investors are more likely to sell a position with extreme good (the best) performance, and followed by the 2nd best position, but reluctant to sell the salience of extreme bad portfolio positions. This result is robust under different specifications, for example, different modelling method, extreme portfolio situation, measurement of rank and limit-down limitation, etc., and consistent in different time periods.

How does Market Behave around the Aggressive Orders?

Barbara Będowska-Sójka *(Poznań University of Economics and Business, Poland)*

Abstract

In the paper we study how aggressive orders, defined as those with exceptionally high volume, influence other dimensions of liquidity on the stock market. We conduct the intraday event-study around huge price movements. The sample consists of the most liquid stocks listed on the Warsaw Stock Exchange during three months of 2016. We consider market width defined as the cost of reverting position, market depth, that is the ability to absorb big orders, and resiliency, which is defined as the ability to recover after big shocks. We find differences between spreads that are related to the trading activity of particular stocks. The change in the spreads lasts only for a short time interval, and the market tend to recover very quick

Consumer Bankruptcy Decision in Great Britain

Atilla Gümüş *(Nottingham Trent University, UK)*, **Alper Kara** *(University of Huddersfield, UK)*

Abstract

We examine the effects of the bankruptcy benefit and adverse events on the consumer bankruptcy decision of approximately 66,000 individuals in Great Britain using a longitudinal survey. Employing zero-inflated ordered probit (ZIOP) model, we analyse the determinants of bankruptcy decision and the choice of the bankruptcy type, either the discharge of debts (termed fresh start) or the reorganisation of debts (termed income gleaning). We find that consumers are more likely to enter into bankruptcy proceedings when the bankruptcy benefit increases. However, separating the effect into its two components, our findings suggests that the dischargeable debt is the dominant factor in the consumer bankruptcy decision in Great Britain. In terms of adverse events, becoming unemployed is found to be the dominant factor influencing consumer bankruptcy decision. The effects of other adverse events differ across bankruptcy types. Individuals who experience the onset of health problems are more likely to choose the income gleaning, whereas individuals who get divorced or separated are more likely to choose the fresh start.

Mediated Role of Capital Budgeting between Uncertainty, Corporate Social Responsibility, Stakeholder Interest and Firm's Financial Performance

Ahmed Imran Hunjra *(PMAS- Arid Agriculture University Rawalpindi, Pakistan)*, Sisira Colombage *(Federation University Australia, Australia)*, Kashif ur Rehman *(City University, Pakistan)*

Abstract

We examine the impact of uncertainty, corporate social responsibility (CSR) and stakeholder interest on the firms' financial performance in the presence of the mediating role of capital budgeting. We use a questionnaire for data collection from Chief Financial Officers (CFOs) of Pakistani corporate sector. We employee Structural Equation Modelling (SEM) hypotheses testing. We document that uncertainty, CSR and stakeholder interest have a significant impact on organizational financial performance and capital budgeting. Furthermore, capital budgeting plays a mediating role among uncertainty, CSR and stakeholder interest and organizational financial performance.

Impact Analysis of Religiosity and Altruism on Multidimensional Inequality

Nadira Amalia *(Universitas Indonesia, Indonesia)*, Jossy Prananta Moeis *(Universitas Indonesia, indonesia)*, **Tika Arundina** *(Universitas Indonesia, Indonesia)*

Abstract

This study aims to see the influence of religiosity and altruism as the character of society that affects multidimensional inequality. This study uses transfer variables in the form of taxes to the government, transfers to others who include elements of debt installment, transfers that include transfer only, transfers for religious rituals/charity and participation in society as proxies for altruism. Meanwhile, self-assessment religiosity as well as indicators of religious obedience of individuals are used as proxies of religiosity. This study found that religiosity has a significant positive effect on multidimensional inequality. While the variables of altruism have different effects on multidimensional inequality. Transfer variables to others that incorporate elements of debt and taxes have a positive impact on multidimensional inequality when data are more representative of low-income communities and do not significantly affect when data are more representative of high-income communities. While the transfer variables that only include elements of transfer and transfer for religious rituals do not significantly affect. The results of this study recommend that it is important for the government to pay attention to some issues related to income redistribution such as taxes, more inclusive financial system, and development that concerns on both physical development of infrastructure and human development by shaping the character of the community through mutual cooperation and spirit of sharing.

Stock Price Reaction to Debt Offerings: The Turkish Evidence

Evrim Akdoğu *(Sabanci University, Turkey)*, **Sureyya Burcu Avci** *(Sabanci University, Turkey)*, Serif Aziz Simsir *(Sabanci University, Turkey)*

Abstract

We examine the valuation effect of public debt offers in Turkey on issuing firms' common stock for the period of 2010-2018, using event-study methodology. For the entire sample, we find no significant effect. However, an investigation of various subsamples based on industry, firm and issue characteristics yields richer results. In our univariate results, we show that banks and other financial firms experience positive

and statistically significant average cumulative abnormal returns (CARs) at debt issue announcements whereas industrial firms experience zero CARs on average. In our multivariate results, where we focus only on industrial firms, we find that firms with smaller size, lower tangibility and higher profitability experience relatively lower returns. Although most of our findings are consistent with both the static trade-off and pecking order theories, the negative impact of profitability on debt issue announcement returns favors the pecking order theory. This suggests that non-financial firms in Turkey appear to prioritize internal funds over debt issuance when making financing choices.

Idiosyncratic Volatility and Firm-Specific News: Evidence from the Chinese Stock Market

Yi Li *(Pusan National University, South Korea)*, Jangwoo Lee *(Pusan National University, South Korea)*

Abstract

In this paper, we examine the relationship between idiosyncratic volatility and future returns around the firm-specific news announcements in the Chinese stock market following DeLisle et al. (2016). The results show that the pricing of non-news idiosyncratic volatility is more strongly negative compare to news idiosyncratic volatility. Such findings imply that limited arbitrage cannot fully explain the negative pricing of idiosyncratic volatility in the Chinese stock market. These results are robust after controlling for several well-known variables, such as market beta, firm size, book-to-market, momentum, liquidity, and maximum return. However, after adjusting by additional macroeconomic variables, the average returns on zero-investment IVOL and non-news IVOL portfolios turn to insignificant, indicating that macroeconomic factors may be one driver of IVOL puzzle in the Chinese stock market.

Do Conforming to State-Directed investment Policies in Emerging Countries Create Value for Acquiring Firms?

Agyenim Boateng *(De Montfort University, UK)*, Min Du *(De Montfort University, UK)*

Abstract
In this paper we explore whether firms conforming to state-directed investment policy creates value in the short-term for emerging market acquiring firms. Employing a sample of 468 Chinese cross-border acquisitions (CBA) over the period of 1998-2011, our results indicate that firms conforming to state-directed investment policies create value for acquiring firms irrespective of ownership type. The findings imply that home country investment policies do not only shape international expansion strategies of firms but also provide opportunities for significant value-creating activities, which correlate positively with market expectations.

Does China Have the Financial Means to Achieve its Ambitions in the Belt & Road initiative?

Zhan Su *(Laval University, Canada)*, Alexis Leggeri *(Laval University, Canada)*, **Anne-Marie Cote** *(Laval University, Canada)*

Abstract
Since China launched the Belt & Road Initiative (BRI) in 2013, this large-scale infrastructure investment plan, the first of its kind since the post-war period, has generated strong reactions around the world - enough praises and admirations, but much more, questions, concerns or challenges. The BRI has been called many names ranging from "Chinese Marshall Plan" to "China's solution to global problems", from "Chinese geopolitical strategy" to "China-centred programme", including "vanity plan", "big mistake" and "political-financial fiasco", to what we now witness today, particularly the American government that describes BRI as a "threat" to global governance, and its corollaries, namely corruption, the export of the Chinese totalitarian model, and especially "debt trap".

Undoubtedly, the volume of investments under the BRI that is estimated to be up to $8 trillion raises the question of financing capacities. Also, given that China is currently facing major domestic and international challenges, is it able and does it have any interest in solely financing BRI? What are the sustainable financing modalities? What are the conditions for the success of BRI? In order to provide answers to these questions, in the following pages, we will study firstly, the Chinese ambitions for BRI; secondly, the problem of "one-way traffic" financing, and thirdly, the myth and reality of the "debt trap" phenomenon generated by BRI.

Impact of Board Structure on Chinese Firms' Cross- Border M&A Performance

Shusheng Ding *(Ningbo University, China)*, Min Du *(Ningbo University, China)*, Tianxiang Cui *(Ningbo University, China)*, **Yongmin Zhang** *(Ningbo University, China)*, Meryem Duygun *(Nottingham University Business School, UK)*

Abstract
The impact of corporate board characteristics on firm performance continues to be an issue that has given risen to a set of polarizing corporate governance doctrines. In this paper, we identify the impact of corporate board characteristics on Chinese firms' cross-border Mergers and Acquisition(M&A)

performance. We unveil that female board proportion and board memberage diversity exhibit positive and significant effect on cross-border M&A performance, while board member education level difference plays a negative role on cross-border M&A performance. We further introduce an optimization model called Particle Swarm Optimization(PSO) to addressthe optimal board structure. We demonstrate that a better organized board structure, such as increasing female board presentation and board memberage diversity, could be in favor of cross-border M&A performance for Chinese firms.

Do Investors Exploit Bank Earnings Management Information to Earn Profits in Stock Markets? The Role of Signaling Effect

Nguyen N.T. Vo *(Eastern International University & RMIT University, Vietnam)*, Thai V.H. Nguyen *(RMIT University Vietnam, Vietnam)*, Duc T.H. Phan *(RMIT University, Australia)*

Abstract

The issue of asymmetric information remains the concern in investment decisions and has regained attention in relation to financial crisis. This study investigates whether investors exploit bank earnings management information to earn profits by trading on the basis of this informational advantage in stock markets. We argue that investors are divergent in capability to detect bank earnings management, which will be subsequently reflected in their trading positions. We answer the questions if bank accounting regulations, enforcement regimes, institutional quality and IFRS adoption play the roles in shaping investors' behaviours in exploiting trading profits on the basis of detecting bank earnings management. Our research, on the sample of 198 banks across 13 Asia-Pacific countries in the period of 2002-2017, finds that there is a significant positive relationship between bank income-decreasing earnings management and bid-ask spreads. Our study also sheds light on the signalling effects of bank accounting regulations/ enforcement/ institutions/ IFRS adoption in guiding investors' behaviours in response to bank earnings management.

Impact of the Fintech Sector on the Level of Competition in the Polish Banking Sector

Małgorzata Pawłowska *(SGH Warsaw School of Economics, Poland)*, Piotr Maicki *(SGH Warsaw School of Economics, Poland)*, Aleksandra Staniszewska *(SGH Warsaw School of Economics, Poland)*

Abstract

The aim of this paper is to investigate the impact of Fintech on the level of competition in the Polish banking sector. Despite the growing number of studies on the development of the Fintech sector, there is still a lack of specific research on how the above changes affect competition levels and how to properly measure this phenomenon. Most of the measures of competition (concentration indicators, Lerner index, Boon index, H statistics) allow measuring the level of competition on the market for all banking products, while the level of competition in individual market segments may be varied. The aim of the article is to analyze the level of concentration and competition in the Polish banking sector. In addition, an attempt was made to isolate the channels of the impact of new Fintech technologies on the level of competition on the financial market. The empirical results of measuring competition in the Polish banking sector presented in the article concern both the period from before the crisis in 2008 as well as the modern period. In addition to traditional concentration indicators, the following measurement methods were used to measure the structure of the competition market: H statistics. However, the article tried to show that despite the increase in concentration and the emergence of larger and larger banks, the development of new technologies does not cause a decrease in competition.

Modeling the Inter-Temporal Relationship among Risk, Capital & Efficiency in ASEAN Commercial Banks

Van Anh Do *(Hanoi University, Vietnam)*

Abstract

This paper analyses the inter-temporal relationship between bank risk, capital and efficiency for the sample of commercial banks from five countries in ASEAN community between 2005 and 2015. The relationship is identified using Granger causality techniques to test the hypotheses of management behavior in ASEAN commercial banking developed by Berger and DeYoung. The results indicate that efficiency does not play a significant role in the behavior of banks in ASEAN in adjusting their capital and risk level. More efficient banks appear to be more capitalised. There is inverse relationship between capital and risk suggesting that moral hazard incentives might fall as the level of capital increases.

How Bailouts Improve Societal Welfare: An Agent-Based Simulation

Aristeidis Samitas *(Zayed University, UAE)*, Stathis Polyzos *(University of the Aegean, Greece)*, Elias Kampouris *(University of the Aegean, Greece)*

Abstract

We model the effects of banking crises on the happiness of employees, using an agentbased model. Existing literature suggests that happiness is influenced by both the negative psychological effects of recessions and the adverse economic effects of income loss and increased unemployment. We show that the different choices of regulatory response to a banking crisis carry different opportunity costs in terms of welfare and that societal preferences should be taken into account. In addition, we examine the transmission of banking crises to the well-being of individuals and show that the resulting adverse effects influence different employee classes in an asymmetric manner. Finally, our results demonstrate that it is generally preferable for authorities to bail out banks in distress, rather than sustain the welfare loss of a bank failure. Our findings extend existing literature on employee happiness and well-being, by quantifying the welfare cost of financial instability.

The Impact of Audit Quality on Earnings Management in Vietnamese Commercial Banks

Thi Thu Ha Le *(Banking Academy, Vietnam)*

Abstract

This paper investigates the impact of audit quality on earnings management in Vietnamese commercial banks. The study uses a sample of 23 Vietnamese banks in the period 2008-2017. The absolute value of discretionary loan loss provisions is used as a proxy for earnings management, and auditor size and auditor specialization are used as proxies for audit quality. The findings show that Big 4 auditors have insignificant negative relationship with discretionary LLP, and specialist auditors have insignificant positive association with discretionary LLP. The results indicate that auditor size and auditor specialization do not have significant impact on constraining the overall level of discretionary LLP in Vietnamese banks. The results of the study are in line with a number of prior studies that find no evidence of brand name auditors on curtailing earnings management. The findings are discussed in Vietnam's context of relatively weak audit environment with low litigation risk, inadequate enforcement of compliance with accounting and auditing standards by government authorities, and shortcomings of the accounting regime for banks. The study results have important implications for the government authorities in their continuous efforts in developing both the banking and independent audit industry.

Interlocking Boards and Firm Performance: Evidence from India

Pitabas Mohanty *(Xaviers Labor Relations institute, India)*, Supriti Mishra *(IMI Bhubaneswar, India)*, Arpita Patnaik *(IGIDR, India)*

Abstract

In this paper, we look at the impact of interlocking boards on the performance of the fifty largest firms in India, from the year 2002 through 2016. Using a novel measure of interconnected board members, we test whether having a board whose members have presence in the boards of other firms (i.e, an interconnected board) has positive effects on the performance of the firm. We test the validity of two existing theories relating to interconnected board members and firm performance. 1) The 'social cohesion theory' argues against interconnected boards. It posits that connected board members support each other and serve their own interests rather than serving the interests of the firm. 2) The 'resources dependence theory' argues in favour of interconnected boards. According to the resources dependence theory, firms use connected board members as strategic resources to augment their performance (Hillman and Withers, 2009). We find firms having boards with connected members performed better vis-a-vis firms with sparsely connected boards. Our results support the 'resource dependence theory'. Though the presence of women directors does not affect firm performance, we find firms having highly connected women directors to have performed worse. We find no evidence in support of the 'social cohesion theory' as regards the sample of firm-years in our analysis.

Who Does Disclosure Choices? An Empirical investigation of the Effect of Powerful CFOs on Disclosure Quality

Lutfa Ferdous *(Latrobe University, Australia)*, Kamran Ahmed *(Latrobe University, Australia)*, Darren Henry *(Latrobe University, Australia)*, **Syed Shams** *(University of Southern Queensland)*

Abstract

We examine the influence of powerful CFO and disclosure quality as measured by financial statement disaggregation disclosure (FSDQ) index and analyst forecast characteristics (AFDQ). Empirically, we validate that CFO managerial power predicts firms' financial disclosure choices. The results are consistent to controlling for CEO Power and CFO compensation motivation. We also find that the relation is stronger for high sales growth firms and firms that have sound governance structures. Our results are robust to multiple information quality tests (individual analyst forecast characteristics, bid ask spread, cost of debt, market liquidity). Further, we address the potential endogeneity of powerful CFO power on disclosure quality. The results highlight the significant of CFO power in the area of financial reporting decisions

Ownership Concentration and Stock Liquidity in an Emerging Market

Nam Hoai Tran *(University of Economics Ho Chi Minh City, Vietnam)*, Cuong Cao Nguyen *(Lincoln University, New Zealand)*, Chi Dat Le *(University of Economics Ho Chi Minh City, Vietnam)*

Abstract

This study explores the liquidity influence of ownership concentration in the Vietnamese stock market where equity holdings are highly concentrated and under weak protection for minority shareholders. We find that stocks of firms with higher concentrated ownership are less traded in terms of lower share turnover and trading volume. This effect implies the real friction channel, rather than the information friction channel, of ownership concentration impairing stock liquidity. It is from the emerging market context of Vietnam that large shareholders are usually institutional investors who have long-term investment horizons. The result is robust to the different types of blockholders, alternative measures of ownership concentration and stock liquidity, and several regression estimators. It is arguable that Vietnamese firms face a trade-off between the monitoring benefit and the liquidity detriment when opting for concentrated ownership structures.

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Syed	Shams	*University of Southern Queensland, Australia*
Junnosuke	Shino	*Waseda University, Japan*
Yoko	Shirasu	*Aoyama Gakuin University, Japan*
Prabal	Shrestha	*Catholic University of Leuven, Belgium*
Bo	Sjo	*Linköping University, Sweden*
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Jamie Yixing	Tong	*University of Queensland, Australia*
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Juuso	Vataja	*University of Vaasa, Finland*
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Mulatu	Zerihun	*Tshwane University of Technology, South Africa*
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Organizers

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

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

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

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

Collaborating Organizers

IPAG Business School educates graduates with a strong social responsibility and ethical awareness built on a solid academic base and expert knowledge. The school encourages diversity to create agile and cross-functional managers. It contributes to the business community through innovation and entrepreneurship. IPAG is anchored in a territory and economy with an international outreach. It produces internationally excellent research to enrich its pedagogy and create new knowledge contributing to both society and business.

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