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University of Florence

NYU Stern School of Business

European University Institute-Florence School of Banking & Finance

University of Udine

IRMC 2017

***“Assessing 10 Years of Changes in the Financial Markets:
How will the Future be impacted?”***

June 12-14, 2017, Florence

Lectures will take place at the University of Florence and at The European University Institute Conference Center

CONFERENCE PROGRAM

Monday June 12, 2017– Morning

Location: University of Florence, via delle Pandette 9 – 50127 Florence

Time	Event											
8.00-9:00	Registration											
9.00-9.15	Opening remarks and Introduction											
9.15-11.00	<p style="text-align: center;">Plenary 1 Chairman: O. Roggi</p> <p>Linda Allen (City University of New York) – “Do International Banks Engage in Insider Trading?” Cristiano Zazzara (S&P Global Market Intelligence) – “Systemic Risk in the Financial System: Capital Shortfalls under Brexit, the US elections, and the Italian Referendum”</p>											
11.00-11.15	Coffee break											
11.15-13.15	Parallel session (A)											
Area	A1. Banking and financial regulation		A2. Systemic risk		A3. Banking and Risk Taking		A4. Risk management in financial markets		A5. Credit risk		A6. Corporate governance in Banking	
	Chairman: A. Pagano		Chairman: M. Iwanicz-Drozdzowska		Chairman: S.Miani		Chairman: F. Fiordelisi		Chairman: C. Zazzara		Chairman: M.G. Soana	
11.15-11.40	Building D6 Ground Floor - Room D6.018	Bail-ins: Issues of credibility and contagion Author: C. Wihlborg	Building D6 Ground Floor - Room D6.005	To be or not to be a G-SIB: Does it matter? Authors: <u>S. Schich</u> , O. Toader	Building D6 Ground Floor - Room D6.006	Bank risk-taking, sovereign capacity and bank bailouts in crisis periods: a cross-country analysis Authors: R. Schiozer, F. Mourad, R. Vilarins	Building D6 Ground Floor - Room D6.011	Euro area banks' interest rate risk exposure to level, slope and curvature swings in the yield curve Authors: D. Foos, <u>K. Pliszka</u> , E. Lütkebohmert, M. Markovych,	Building D6 Ground Floor - Room D6.014	Are Lenders Using Risk-Based Pricing in Consumer Loan Market? The Effect of the 2008 Crisis Authors: S. Magri	Building D6 Ground Floor - Room D6.015	Are Banks Special? Evidence from Bank Activism Authors: K. Song, <u>J. Wang</u>
11.40-12.05		Did the Dodd-Frank Act. 2010 enhance the risk exposure of complex bank holding companies in the US? Authors: <u>M. Degl'Innocenti</u> , D. Mayorga, N. Radic, S. Wolfe		Systemic risk measurement: bucketing SIFI's between literature and supervisory view Authors: <u>L. Riccetti</u> , M. Brogi, V. Lagasio, P. Porretta		Does foreign bank penetration affect the risk of domestic banks? Evidence from emerging economies Authors: B. Nam Jeon, <u>J. Wu</u>		The double bind of asymmetric information in over-the-counter markets Authors: <u>T. Mäkinen</u> , F. Palazzo		Non-Parametric Company Rating Authors: R. Moro		Does corporate governance news influence investor behavior? Evidence from the banking industry Authors: <u>D. Previtali</u> , D. Cucinelli, M.G. Soana
12.05-12.30		Does CRDIV provide an efficient way to deal with banks' simultaneous defaults? Authors: F. Di Girolamo, A. Pagano, M. Petracco Giudici		Banks' Liquidity Management and Systemic Risk Authors: <u>E. Panetti</u> , L. Deidda		The puzzle of NPLs during the financial crisis: the cost of deleveraging Authors: <u>E. Bolognesi</u> , S. Miani, C. Compagno		Half-full or Half-empty? A Direct Test of the Impact of CDS Trading on Corporate Credit Risk Authors: C. Caglio, <u>M. Darst</u> , E. Parolin		Incorporating the leverage effect into the reduced-form approach to corporate default risk Authors: P. Zimmermann		Risk Appetite Arrangements: Examining its Impact Upon BHC Outcomes Authors: W. Gontarek
12.30-12.55		Creditor rights and information sharing the increase in nonbank debt during banking crises Authors: A.I. Fernandez, F. Gonzalez, <u>N. Suarez</u>		Systemic and country-specific volatility shocks in the Eurozone sovereign credit default swap spreads: a GMM analysis Authors: <u>P. Zerilli</u> , C. Baum		How did the 2008 Crisis Change the Relationship between Risk Management and the Performance of US Banks? Authors: <u>M. Gelman</u> , D. Greenberg, M. Rosenboim		Measuring ECB's Communication: A "Media-Based" Automated Approach Authors: F. Pesci		Banks' Credit Ratings – the Impact of the Investor Type Authors: P. Chodnicka-Jaworska		Addressing the Risk Culture Challenge in Banking using Text Analytics Authors: A. Gupta
12.55-13.15		Q&A		Q&A		Q&A		Q&A		Q&A		Q&A
13.15-14.15	Lunch											

Time	Event					
14.15 - 16.15	Parallel session (B)					
Area	B1. Liquidity in banking and financial markets	B2. Banking and financial intermediation	B3. Corporate finance and financial markets	B4. Macro Risks, monetary policy and interest rate risk	B5. Corporate finance and risk management	B6. Behavioural finance and FinTech
	<i>Chairman: D. Galai</i>	<i>Chairman: L. Allen</i>	<i>Chairman: L. Switzer</i>	<i>Chairman: C. Wihlborg</i>	<i>Chairman: G. Bertinetti</i>	<i>Chairman: Z. Wiener</i>
14.15 - 14.40	Bank capital and liquidity: relationship and impact on CDS spreads. Evidence from Europe Authors: <u>A. Sclijp</u> , C. Girardone, S. Miani	Market reaction to bail-in announcements Authors: <u>F. Minnucci</u> , O. Ricci, F. Fiordelisi	The influence of financial constraints on the takeover premium: international evidence Authors: I. Feito-Ruiz	Forecasting macro-financial variables and evaluating monetary policy effectiveness through an International Data-Rich Environment Autoregressive Model Authors: G. Tizzanini, <u>E. De Meo</u> , L. Prosperi, L. Zicchino	Revising Equity Valuation with Tail Risk Authors: <u>M. Copeland</u> , T. Copeland, T. Copeland	'Smart' Settlement Authors: <u>M. Khapko</u> , M. Zoican
14.40-15.05	Technical efficiency in bank liquidity creation Authors: J. Soula, I. Hasan	The Nexus of Financial Inclusion and Financial Stability: A Study of Trade-Offs and Synergies Authors: D. Mare, M. Melecky, <u>M. Cihak</u>	The Idiosyncratic Volatility Puzzle and Mergers and Acquisitions Activity Authors: <u>L. Switzer</u> , N. El Meslmani	Governed by the Cycle: Direct and Inverted Interest-Rate Sensitivity of Emerging Market Corporate Debt Authors: <u>M. Gubareva</u> , M.R. Borges	Do Star Analysts Shine in Opaque Industries? Evidence from European Banking Authors: B. D'Udekem	A dynamic model of Bitcoin price formation Authors: <u>F. Bazzana</u> , E. Marignoni
15.05 - 15.30	Monetary Policy and Bank Risk-taking: Evidence from Emerging Economies Authors: M. Chen, R. Wang	European banks' implied recovery rates Authors: W. Heynderickx, J. Cariboni, W. Schoutens, B. Smits	Time-Varying Energy and Stock Market Integration Authors: J. Batten, <u>H. Kinateder</u> , P. Szilagyi, N. Wagner	Does interest rate exposure explain the low-volatility anomaly? Authors: I. Kuiper	Liquidity Risk and Corporate Risk-taking Authors: R. Zhong, <u>Y. Wang</u> , J. Huang, H. Tang	University students and retirement planning: It is never too early Authors: <u>D. Cucinelli</u> , P. Bongini
15.30 - 15.55	Information and Liquidity of Over-the-Counter Securities: Evidence from Public Registration of Private Debt Authors: M. Kalimpalli, S. Han, A. Huang, <u>K. Wang</u>	Enhancing the Bank Recovery Process: a Quantitative Metrics Implementation to Italian Banks Authors: <u>C. Baldan</u> , F. Zen, E. Geretto	Are management of the loss reserve accrual and access to internal capital markets substitutes? Authors: <u>I.A. Song</u> , J. Carson, T. Berry Stoelze	The Sensitivity of Interest Rate Products with Embedded Optionality in a Negative Rate World Authors: P. Rossi	Tail Risk Adjusted Sharpe Ratio Author: D. Maillard	Investor Herding and Dispersing in the Renewable Energy Sector Authors: <u>Y. Yu</u> , S. Trueck
15.55 - 16.20	The Use of Collateral in Bilateral Repurchase and Securities Lending Agreements Authors: A. Copeland, <u>C. Cagliolo</u> , V. Baklanova, M. Cipriani	Paths of glory or paths of shame. How different are banks in Europe? Authors: <u>M. Iwanicz-Drozowska</u> , E. Laitinen, A. Suvas	Liquidity Risk and Corporate Risk-taking Authors: R. Zhong, <u>Y. Wang</u> , J. Huang, H. Tang	Exploring the Effects of Macroeconomic Variables on Credit Card Delinquency and Default Behaviour Authors: <u>J. Crook</u> , M. Leow	Does Privatization Reform Alleviate Ownership Discrimination? Evidence from the Split-share Structure Reform in China Authors: <u>J. Liu</u> , Z. Wang, W. Zhu	Investor Sophistication and the Effect of Behavioral Biases in Structured Products Investment Authors: <u>M. Ofir</u> , Z. Wiener
16.20 - 16.40	Coffee break					
16.40 - 18.30	Plenary 2			Chairman: Z. Wiener		
	Menachem Brenner (NYU Stern) – <i>"Volatility and Ambiguity"</i> Giovanni Barone Adesi (Swiss Finance Institute) – <i>"S&P 500 Index, an Option Implied Risk Analysis"</i> William Ziemba (University of British Columbia)					

Time	Event											
9.00 - 11.00	Parallel Session (C)											
Area	C1. Banking and financial intermediation	C2. Bond markets	C3. Quantitative method in risk management	C4. Banking system and Basel III	C5. Financial markets and derivatives	C6. Quantitative method in risk management						
	<i>Chairman: E.I. Altman</i>	<i>Chairman: F. Bazzana</i>	<i>Chairman: W. Ziemba</i>	<i>Chairman: H. Rijken</i>	<i>Chairman: M. Brenner</i>	<i>Chairman: G. Tagliavini</i>						
9.00 - 9.25	Building D6 Ground Floor - Room D6.018	Building D6 Ground Floor - Room D6.005	Building D6 Ground Floor - Room D6.006	Building D6 Ground Floor - Room D6.011	Building D6 Ground Floor - Room D6.014	Building D6 Ground Floor - Room D6.015	Purchasing the Privilege? Why Banks Hold Sovereign Debt Authors: C. Buschmann	Corporate Syndicated Loans as a Source of Private Information for Interbank Markets Authors: <u>T. Matthys</u> , S. Ferrari, I. Hallak, R. Vander Vennet	Impact of multimodality of distributions on VaR and ES calculations Authors: <u>K. Li</u> , D. Guegan, B. Hassani	The Countercyclical Capital Buffer Authors: <u>C. Koch</u> , C. Basten	Liquidity Provision and Adverse Selection in the Equity Options Market Authors: R. Goyenko	Analytic solution to variance optimization with no short positions Authors: I. Kondor
9.25 - 9.50							The risk-and-return effects of US banking competition and securitization Authors: <u>A. Bayeh</u> , R. Burlacu	Issuing Corporate Bonds: The Role of Legal Environment Authors: P. Klein	A Bayesian approach to value-at-risk estimation incorporating student's-t innovations, copulas and extreme value theory Authos: <u>M. Sampid</u> , H.M. Hasim	Assessing Basel III Capital Ratios Authors: <u>J. Cizel</u> , E. Altman, H. Rijken	Credit default swaps around the world: Investment and financing effects Authors: M.G. Subrahmanyam, J. Conrad, S. Bartram, J. Lee	Hedging the impact of climate change in the catastrophe space Authors: J. Chang, <u>C. Chang</u> , M. Teh Yu
9.50 - 10.15							Ambiguity and Interbank Market Participation: Relationship and Transactional banking Authors: R. Renard	Restructuring Failure and Optimal Capital Structure Authors: A. Lehar	An Axiomatization of the Proportional Rule in Financial Networks Authors: <u>P. Csoka</u> , J. Herings	New Evidence on Procyclical Bank Capital Regulation: The Role of Bank Loan Commitments Authors: K. Young Park	An American Call is Worth More than a European Call Author: S. Figlewski	Liquidity cognition and limits of arbitrage Authors: <u>A. Mantovi</u> , G. Tagliavini
10.15-10.40							The Information Content of Accounting Fundamentals Within and Across Countries Authors: J. Cizel, E. Altman, <u>H. Rijken</u>	Bail-in's Effects on Banks' Bonds: Yields Spreads and Market Discipline. A Natural Experiment Authors: R. Giuliana	Data Mining of Contingent Convertible Bonds Authors: <u>I. Marquet</u> , J. De Spiegeleer, W. Schoutens	Calculating Capital Charges for Sector Concentration Risk Authors: <u>J. Sester</u> , E. Lütkebohmert,	Does hedging with derivatives reduce the market's perception of credit risk? Authors: <u>S. Anbil</u> , H. Tookes, A. Saretto	A modern framework for Probability of Default Calibration Authors: <u>S. Bonini</u> , G. Caivano
10.40-11.00	Q&A	Q&A	Q&A	Q&A	Q&A	Q&A						
11.00-11.15	Coffee break											
11.15-12.45	<p align="center">Plenary 3</p> <p>Chairman: M. Brenner Edward I. Altman (NYU Stern) – <i>“The Evolution of the Altman Z-Score Model and its Applications in Financial Markets.”</i> Michael Gordy (Federal Reserve) – <i>“Spectral backtests of forecast distributions with application to risk management</i> Q&A</p>											
12.45-13.45	Lunch											
13.45	Shuttle Bus to the European University Institute											

Tuesday June 13, 2017 - Afternoon

Location: European University Institute. Badia Fiesolana, via dei Roccettini 9 - Fiesole (Florence)

Time	Event
Area	Professional Workshop on Financial Markets and Institutions – “The Risk Management and Financial Regulation Nexus”
14.45 - 15.00	Welcoming remarks and Introduction Elena Carletti (Bocconi University and Florence School of Banking & Finance)
15.00 - 16.15	<p><i>Keynote speeches</i> <i>Chair: Elena Carletti</i> (Bocconi University and Florence School of Banking & Finance)</p> <p>Mario Nava (European Commission) – “Financing Growth in Europe: management of risk and efficient allocation of resources by the European Financial Sector” David Yermack (NYU Stern) – “Risk in the Era of FinTech”</p> <p>Q&A</p>
16.15 - 16.30	Coffee Break
16.30 - 18.00	<p style="text-align: center;">Round table</p> <p><i>Chair and Moderator: Cosimo Pacciani</i> (European Stability Mechanism)</p> <p>Giuseppe Lusignani (University of Bologna and Prometeia) Davide Alfonsi (Intesa SanPaolo) Francesca Campolongo (JRC – European Commission) Michel M. Dacorogna (DEAR Consulting) Bruna Szego (Banca d’Italia)</p> <p>Q&A</p>
18.00-18.15	Closing remarks Edward I Altman (NYU Stern), Oliviero Roggi (UNIFI)
18.20	Shuttle Bus to the Cantina Antinori
19.15	Guide tour of the Antinori Wine Cellar (via Cassia per Siena 133, San Casciano Val di Pesa – Florence)
20.15	Gala dinner at Rinuccio 1180 (via Cassia per Siena 133, San Casciano Val di Pesa – Florence)

Time	Event											
8.30-10.00	Parallel Session (D)											
Area	D1. Corporate Finance and financial markets	D2. Banking and Risk Taking	D3. Risk management in financial markets	D4. Banking system and financial regulation	D5. Credit risk and PD modelling	D6. Banking system and financial regulation						
	<i>Chairman: D. Feldman</i>	<i>Chairman: G. Barone Adesi</i>	<i>Chairman: G. Gabbi</i>	<i>Chairman: S. Miani</i>	<i>Chairman: M. Gordy</i>	<i>Chairman: R. Locatelli</i>						
8.30-8.55	Building D6 Ground Floor - Room D6.018	Building D6 Ground Floor - Room D6.005	Building D6 Ground Floor - Room D6.006	Building D6 Ground Floor - Room D6.011	Building D6 Ground Floor - Room D6.014	Building D6 Ground Floor - Room D6.015	IT Investments and Financial Performance, Revisited: the Bankruptcy Perspective Authors: <u>M. Rodriguez Lopez</u> , C. Pinerio Sanchez, P. De Llano Monelos	IRB Model Regulatory Arbitrage and Profitability at European Banks Authors: <u>V. Pesic</u> , G. Ferri	CDS Trading and Stock Price Crashes Authors: <u>R. Zhong</u> , J. Liu, D. Tang	Divestitures and the financial conglomerate excess value Authors: <u>C. Curi</u> , M. Murgia	Predicting the Risk of Financial Distress using Corporate Governance Measures Authors: Zhiyong Li	Does Financial Regulation Unintentionally Ignore Less Privileged Populations? Authors: M. H. Rosen, <u>O. Sade</u>
8.55-9.20							Skin or Skim? Inside Investment and Hedge Fund Performance Authors: <u>Arpit Gupta</u> , K. Sachdeva	Do borrowers benefit from lenders' access to (simple) securitization? Authors: <u>A. Gallo</u> , M. Park	Is It Important to Consider the Time-to-Maturity for Ad Hoc Black and Scholes Procedures? Authors: <u>S. Kim</u> , S. Joon Byun, D. Woo Rhee	Non-Performing Loans, Moral Hazard & Supervisory Authority: the Italian Banking System Authors: <u>P. Cincinelli</u> , D. Piatti	Estimating the additional predictive power of bank-firm hard information in default models. An analysis on a sample of Italian firms Authors: V. Formisano, C. Gallucci, M. Modena, <u>F. Pietrovito</u>	Residential Mortgages, the Real estate Market, and Economic Growth: Evidence from Europe Authors: <u>X. Scimone</u> , C. Giannotti, G. Mattarocci, U. Filotto
9.20-9.45							Is the active fund management industry concentrated enough? Authors: <u>D. Feldman</u> , K. Saxena, J. Xu	How to shape risk appetite in presence of franchise value? Authors: <u>C. Aquila</u> , G. Barone Adesi	Do the Actively Managed Mutual Funds Exploit the Stock Market Mispricing? Authors: <u>C. Lee</u> , H. Jeon	The political economy of the European banking union: Transposition delays and bail-in threats Authors: M. Koetter, <u>T. Krause</u> , L. Tonzer	Assessing the Credit Worthiness of Italian SMEs and Mini-bond Issuers Authors: <u>G. Sabato</u> , E. Altman, M. Esentato	Institutional vs retail investors' behavior around credit rating news: The effect of rating-contingent regulation Authors: P. Abad, A. Diaz; <u>A. Escribano</u> , M. D. Robles
9.45-10.10							Does Financial Innovation Enhance or Inhibit Real Innovation? Authors: <u>L. Dimitrova</u> , S. Eswar	On the persistence of relationship banking: Evidence from the corporate perspective Authors: K. Sauter, <u>M. Mietzner</u>	The Liquidity and Welfare Implications of the Securities Lending Market for European Treasuries Authors: Z. Huszar, <u>Z. Simon</u>	Bank Rights Issues in Europe: A Coercive Recapitalization Tool? Authors: C. Chiarella, <u>E. Cubillas</u> , N. Suarez	General or industry-tailored insolvency prediction models? Authors: E. Giacosa, <u>A. Mazzoleni</u> , C. Teodori, M. Veneziani	Loan Fair Value Approaches Revisited Authors: J. Skoglund
10.10-10.35							Q&A	Q&A	Q&A	Q&A	Q&A	Q&A
10.35-10.50	Coffee break											
10.50-13.15	<p align="center">Plenary 4 – ADEIMF Special Session “New Frontiers in Financial Institutions, Risk and Profitability”</p> <p>Greetings Rossella Locatelli (ADEIMF Chairman), Umberto Tombari or Gabriele Gori (Ente Cassa di Risparmio di Firenze) ADEIMF Special Session Introduction, Giampaolo Gabbi, (University of Siena) and Stefano Miani (University of Udine)</p> <p>11.05-11.35 - Santiago Carbo-Valverde (Bangor Business School and Editor in Chief Journal of Financial Management, Markets and Institutions) – “Fintech and financial digitalisation: risks and regulation” Massimo Marchesi (European Commission) – “NPL: a European Perspective” Federico Galizia (Inter-American Development Bank) – “Expanding Equity Finance” Lorenzo Bini Smaghi (Società Generale & ChiantiBanca)</p>											
13.15-14.15	Farewell Lunch											