



# 2018 FINEST Spring Workshop

7 June 2018

Hosted by:

**Università di Roma Tre, Department of Business Studies**  
Via S. D'Amico 77, Rome, Italy  
Sala Lauree (Ground floor)

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# FINEST

## Financial Intermediation Network of European Studies

The Financial Intermediation Network of European Studies (FINEST) acts as a research and discussion forum for banking and financial intermediation researchers and practitioners throughout Europe. FINEST operates as an open research network facilitating research and other analytical synergies among academic staff involved in various European Universities as well as policymakers and financial sector practitioners.

The FINEST is a private non-profit association (network) of researchers from various universities, central banks, financial authorities, other research institutes and practitioners who are interested in exploring all aspects of banking and finance. The FINEST is currently hosted by the Università di Roma Tre, Italy.

All those that wish to cooperate with FINEST activities can join the Network. Membership can be asked by individual researchers from universities, central banks, financial authorities, other research institutes and practitioners who are interested in exploring all aspects of banking and finance.

### Activities

1. Working papers. The working paper series gives the possibility to share the research effort among all interested researchers dealing with banking and financial intermediation issues. At the same time, working papers will be highly viewed in the academic environment. Working papers will be reviewed following a double-blind review system.
2. Research projects. FINEST promotes research groups, surveys and observatories on specific complex areas of banking and financial intermediation in Europe with the aim to originally contribute to international research on these issues.
3. Conferences. FINEST organizes periodical conferences on a specific banking and financial intermediation issue.
4. Workshops. FINEST promotes workshops to present high quality papers providing authors with a deep and open discussion before the paper submission to top academic journals.
5. Summer schools. FINEST organizes short summer courses on issues related to banking and financial intermediation in Europe for undergraduate and postgraduate students in accounting, economics, finance and management.

### Contact:

Financial Intermediation Network of European Studies (FINEST)

Università di Roma Tre, Via S. D'Amico 77, 00145 Rome, Italy, 4 floor, Room 23

e-mail: [info@finest-network.eu](mailto:info@finest-network.eu)

phone: +39 0657 335 672

### **Workshop Organizers**

Franco Fiordelisi, Università di Roma Tre, Italy and Middlesex Business School, U.K.

### **FINEST President**

Franco Fiordelisi, Università di Roma Tre, Italy, and Middlesex Business School, U.K.

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Anjan Thakor, Olin Business School, Washington University in St. Louis, U.S.

Gregory F. Udell, Indiana University, U.S.

## Notes on the Invited Discussants

**Giorgio Gobbi** is an economist at the Bank of Italy since 1990. He is currently the Head of the Financial Stability Directorate at the Bank of Italy in Rome. His research interests include bank competition and bank structural issues, small business lending, corporate finance and consumer finance. His work has been published in international academic journals, including *The Journal of Finance*, *Review of Finance*, *Journal of Banking and Finance*, and *Journal of Financial Services Research*.

**Iftekhar Hasan** is the E. Gerald Corrigan Chair in International Business and Finance at Fordham University's Schools of Business and co-director of the Center for Research in Contemporary Finance. He serves as the scientific advisor at the Central Bank of Finland and as president of the Eurasia Business and Economics Society. He is the managing editor of the *Journal of Financial Stability*. His research interests are in the areas of financial institutions, corporate finance, capital markets and entrepreneurial finance. He has been or continues to be an associate editor for a number of journals, including the *Journal of Money, Credit and Banking*; *Journal of Banking and Finance*; and *Journal of International Money and Finance*. He has been a consultant for numerous international organizations, including the World Bank, the IMF, the United Nations, the Federal Reserve Bank of Atlanta, the Banque de France and the Italian Deposit Insurance Corporation. He is a research fellow at the Berkley Center of Entrepreneurial Studies at New York University's Stern School of Business and serves on the advisory board of the Center for Financial Studies at the Rensselaer Polytechnic Institute. He is a Fulbright (Specialist) Scholar and holds an honorary PhD from the Romanian-American University in Bucharest. He has held visiting faculty positions at several American and European universities, including the University of Rome, Italy; the University of Strasbourg, France; the University of Carlos III, Madrid; EPFL at Lausanne, Switzerland; the University of Limoges, France; National Taiwan University at Taipei; the University of Romania at Bucharest; and NYU's Stern School of Business.

**Bill Megginson** is Professor and Price Chair in Finance at the University of Oklahoma's Michael F. Price College of Business. He is also the Saudi Aramco Chair Professor in Finance at King Fahd University of Petroleum and Minerals in Dhahran, Saudi Arabia. He has published refereed articles in several top academic journals, including the *Journal of Economic Literature*, the *Journal of Finance*, the *Journal of Financial Economics*, the *Review of Financial Studies*, the *Journal of Financial and Quantitative Analysis*, and *Foreign Policy*. His co-authored study documenting significant performance improvements in recently privatized companies received one of two Smith Breeden Distinguished Paper Awards for outstanding research published in the *Journal of Finance* during 1994. He is author or co-author of nine textbooks. His articles have been downloaded over 59,000 times from the Social Sciences Research Network, and his books and articles have been cited over 18,000 times (according to Google Scholar).

**Fotios Pasiouras** is Professor at the School of Production Engineering and Management at the Technical University of Crete and a Co-Director of Research at the Financial Engineering Laboratory. He has held faculty positions at various U.K. universities and he has been a Visiting Research Fellow/Scholar at European and U.S. universities. He is Secretary of the Executive Board of the Financial Engineering and Banking Society, one of

the Editors-in-Chief of the International Journal of Banking, Accounting and Finance, Subject Editor of the Journal of International Financial Markets, Institutions and Money, and Subject Editor of the Emerging Markets Review (Journal). His research focuses on risk, performance, corporate governance and regulations in the banking and insurance industries. It has appeared in more than sixty papers published in well-known international journals including *Management Science*; *Journal of Money, Credit & Banking*; *Journal of Banking & Finance*; *Journal of Financial Stability*; *Journal of Financial Services Research*; and *European Journal of Operational Research*.

**George G. Pennacchi** is the Fred S. Bailey Professor of Money, Banking, and Finance at the University of Illinois. His research focuses on financial institutions, fixed-income securities, and government guarantees. He is a Research Associate at the Federal Reserve Bank of Cleveland, a Visiting Scholar at the Federal Reserve Bank of New York, and a Scientific Advisor to the BAFFI CAREFIN Centre at Bocconi University. He was President of the Financial Intermediation Research Society and served on the editorial boards of several journals including the *Journal of Financial Intermediation*, the *Journal of Finance*, the *Journal of Financial and Quantitative Analysis*, and the *Review of Financial Studies*. He has consulted for the Federal Deposit Insurance Corporation, the U.S. Office of Management and Budget, the World Bank, the International Monetary Fund, and the Federal Reserve Board of Governors. Previous faculty appointments were at the Wharton School of the University of Pennsylvania and Bocconi University. Mr. Pennacchi received a Sc.B. degree in Applied Mathematics from Brown University and a Ph.D. in Economics from the Massachusetts Institute of Technology.

## Notes on the Presenters, and Chairs

**Santiago Carbó-Valverde** is Professor of Economics and Finance at the CUNEF Business School (Madrid, Spain). He is also Professor of Economics and Finance at the Bangor Business School, UK (on leave). He is also the Head of Financial Studies of the Spanish Savings Bank Foundation (Funcas) and Executive Director of the Observatory of Financial Digitalization of Funcas. He has published articles in peer-reviewed journals such as *The Review of Economics and Statistics*, *European Economic Review*, *Review of Finance*, *Journal of Corporate Finance*, *Journal of Money, Credit and Banking*, *Journal of Financial Stability*, *Journal of International Money and Finance* or *Journal of Banking and Finance*.

**Marta Degl'innocenti** is Lecturer in Finance at the Southampton Business School. Her research interests focus on empirical banking and corporate finance. She has published papers in journals as *the European Journal of Operational Research*, *Journal of Banking and Finance*, and *Journal of International Financial Markets, Institutions and Money*.

**Franco Fiordelisi** is professor of banking and finance at the University of "Roma Tre", Italy. He is also (part-time) professor of Finance at the Middlesex Business School in London, U.K., and affiliated faculty member at the SDA Bocconi in Milan, Italy. His work has been published in various finance journals such as *the Journal of Financial and Quantitative Analysis*, *Review of Finance*, *Journal of Corporate Finance*, *Journal of Banking and Finance*, and *Journal of International Money and Finance*.

**Claudia Girardone** is Professor of Banking and Finance at Essex Business School of the University of Essex, U.K. She is also Director of the Essex Finance Centre (EFiC) and the School's Director of Research. She has published over 50 articles on various aspects of banking and finance in books and peer-reviewed international journals. She is currently on the editorial board of several journals including the *Journal of Financial Economic Policy* and *The European Journal of Finance*. Her current research areas are on banking sector performance and stability, bank corporate governance, the industrial structure of banking and access to finance.

**Mattia Girotti** is a Research Economist within the Financial Economics Research Division of the Banque de France since 2015. His research focuses on banking, corporate finance, empirical industrial organization and applied econometrics. He holds a PhD and a MSc in Economics from the Toulouse School of Economics, and a BSc in Finance from Bocconi University.

**Deniz Igan** is the Deputy Chief of the International Monetary Fund, Research Department's Macro-Financial Division. Previously, she worked in the Western Hemisphere and the European Departments. Her research interests include macro-financial linkages, financial crises, real estate markets, and the political economy of financial regulation. Her work has been published in academic journals including policy-oriented volumes and presented widely in conferences and workshops. Deniz is an EUI Young Policy Leaders Fellow, an expert panelist at Zillow's House Price Expectations Survey, and a recipient of the IMF Research Award for her innovative work on risks in real estate markets for the Early Warning Exercise and of best paper awards from the Midwest Finance Association and the American Real Estate Society. She holds a PhD in Economics from Princeton University.

**David Marquez-Ibanez** is Senior Economist at the European Central Bank, Research Directorate, Financial Research Division. He has held positions at various institutions, as the International Monetary Fund (Visiting Economist, Research Department, Macro Finance Group), Board of Governors of the Federal Reserve (Senior Economist, International Finance Division). He also was visiting research fellow at the Columbia School of Business, Stern School of Business of the New York University, Federal Reserve Bank of New York, and Banca d'Italia. His research areas are on banking sector regulation and stability. He widely published in top international journals as the *Journal of Finance*, *Journal of Financial Intermediation*, *Journal of Money Credit and Banking*.

**Danny McGowan** is a Senior Lecturer in Finance at the University of Birmingham, U.K. His research interests focus on financial economics and industrial organization. He has published articles in the *Review of Financial Studies*, *the Journal of Financial Intermediation* and other internationally recognized journals. Danny has presented his research at leading conferences such as the American Economic Association and the European Finance Association and at several universities. He has received research funding from the British Academy and the Leverhulme Trust.

**Nikolaos I. Papanikolaou** is Senior Lecturer in Accounting & Finance at the Bournemouth University, U.K. In the recent past, he has also held several visiting positions at Stern School of Business at New York University, the University of Illinois, and the Chulalongkorn University in Thailand. His research interests lie at the intersection of economics and finance. His papers have been published in various journals like the

*Journal of Banking & Finance, Journal of Financial Stability, Economics Letters, Financial Markets Institutions & Instruments, and others.*

**Dennis Philip** is Reader in Finance at the Durham Business School, where he is also the Director of the Centre for Banking, Institutions and Development (CBID). His research contributes to the understanding of the interactions between firm characteristics and financial markets. His research has appeared in journals such as the *Review of Finance, British Journal of Management, Journal of Banking and Finance, Journal of Empirical Finance*, among others.

**Giulia Scardozzi** is PhD student in Banking and Finance at the University of Rome Tor Vergata, Italy. Her research focuses on the effects of regulation on bank behaviour.

**Talina Sondershaus** is an Economist in the Department of Financial Markets at Halle Institute for Economic Research (IWH). She is a Member of the Leibniz Association. She joined the Department of Financial Markets as a PhD student in September 2016. Her research focuses on effects of unconventional monetary policy on financial intermediation and the real economy as well as the effects of banking networks.

**Amine Tarazi** is a professor of economics and finance at the University of Limoges (France) where he is currently the Director of a research center, LAPE, and Head of the Economics department. His current research interests relate to financial institutions, bank risk and prudential regulation. His work has appeared in journals such as the *Journal of Financial Economics, Review of Finance, Journal of Banking and Finance, Journal of International Money and Finance, and others.*

**Arzu Uluc** joined the Bank of England in 2012. Since May 2017, she has been managing a research team at the Prudential Policy area of the Bank. Her team aims to develop a way of thinking about interactions and coherence (i) among micro-prudential regulations, and (ii) between micro- and macro-prudential and monetary policies; to assess whether reforms are achieving their intended effects; and to enhance the Bank's understanding on the unintended consequences of regulatory reforms and to develop strategies for managing them. Previously Arzu worked at the Central Bank of Republic of Turkey. Her research interests span topics in house price stability, mortgage markets, and micro- and macro-prudential policies.

**Tamas Vadasz** is a Ph.D. in Finance candidate at Warwick Business School, University of Warwick (UK). His main research interest is Financial stability, regulation in the banking sector, systemic risk using network analytics, and more broadly, Banking theory and financial economics. Prior to joining Academia, he worked as a consultant in the EMEA banking sector, specialized in Risk Management and IT projects. In September 2018 he will join KU Leuven as an Assistant Professor of Finance.

**Jon Williams** is Professor of Banking and Finance and Head of Bangor Business School and Professor of Banking and Finance. His research interests focus on bankers' pay, risk-taking and bank efficiency; performance characteristics of family-owned firms; and the effects of diversification upon risk. His more recent work centres on financial liberalisation in banking sectors in the emerging markets, and includes studies of bank restructuring; market power and competition; bank privatisation; foreign bank entry; governance; and mergers and acquisitions. He is a contributor to major banking sector studies commissioned by the European Commission, UK Treasury, and the Spanish Savings Banks Foundation amongst others.

## Program

08.30-8.50

**Registration**

08.50-9.00

**Welcome remarks**

### **Session 1**

Chair: Jon Williams

**09.00-09.45**

Title: **Bank Signalling, Risk of Runs, and the Informational Impacts of Regulations**

Authors: Kebin Ma, Tamas Vadasz

Discussant: Fotios Pasiouras

**09.45-10.30**

Title: **The impact of lending relationships on the choice and structure of bond underwriting syndicates**

Authors: Carbó-Valverde, Santiago, Cuadros-Solas Pedro J., Rodríguez-Fernández Francisco

Discussant: Iftekhar Hasan

**10.30-11.15**

Title: **Risk Shifting and Foreclosure Law: Evidence from the Securitization Market**

Authors: Danny McGowan, Huyen Nguyen

Discussant: Fotios Pasiouras

### **Coffee break**

### **Session 2**

Chair: Bill Megginson

**11.45-12.30**

Title: **Behaving strategically? Evidence from the centralization of banking supervision**

Authors: Giovanni Cerulli, Franco Fiordelisi, David Marquez-Ibanez

Discussant: George Pennacchi

**12.30-13.15**

Title: **Capital Requirements, Monetary Policy and Risk Shifting in the Mortgage Market**

Authors: Arzu Uluc, Tomasz Wieladek

Discussant: Giorgio Gobbi



## Lunch

### Session 3

#### Early idea session

Chair: Franco Fiordelisi

- 14.10 – 14.20** Nikolaos Papanikolaou: FinTech credit and traditional bank credit: Allies or Opponents?
- 14.20 – 14.30** Giulia Scardozzi: Bail-In: preventing future crisis vs. generating bank run
- 14.30 – 14.40** Marta Degl'Innocenti: The impact of Quality of Governance and Firm Culture on CEO compensation
- 14.40 – 14.50** TBA

### Session 4

Chair: Amine Tarazi

#### 14.55-15.40

Title: **Winning Connections? Special Interests and the Sale of Failed Banks**

Authors: Deniz Igan, Thomas Lambert , Wolf Wagner, Eden Quxian Zhang

Discussant: George Pennacchi

#### 15.40-16.25

Title: **"Keep clear at all times!" Does loose monetary policy block the market exit of unproductive plants?**

Authors: Manfred Antoni, Michael Koetter , Steffen Muller, Talina Sondershaus

Discussant: Iftekhar Hasan

## Coffee break

### Session 5

Chair: Dennis Philip

#### 16.45-17.30

Title: **Bank Credit Ratings Changes, Capital Structure Adjustments and Lending**

Authors: Claudia Girardone, Alex Scip

Discussant: Bill Megginson

#### 17.30-18.15

Title: **Coarse Credit Ratings, Corporate Financing, and Real Outcomes**

Authors: Christophe Cahn, Mattia Girotti, Federica Salvadè

Discussant: Giorgio Gobbi

#### 18.15-18.20

**Concluding remarks**



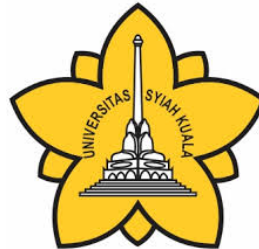
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Contact:  
**Financial Intermediation Network of European Studies (FINEST)**  
University of Rome III  
Department of Business Studies  
Via S. D'Amico 77  
00145 Rome, Italy  
4 floor, Room 15  
phone: +390657335717  
fax: +390657335797  
e-mail: [info@finest-network.eu](mailto:info@finest-network.eu)

The FINEST is a private association (network) of researchers from various European universities, central banks, financial authorities, other research institutes and practitioners who are interested in exploring all aspects of banking and finance.

The FINEST is hosted by the University of Rome III, Italy. The FINEST is widely supported by various academic research centers as:

- ❖ Institute for European Finance, Bangor University, U.K.
- ❖ Laboratoire d'Analyse et de Prospective Economiques, Université de Limoges, France
- ❖ Centre for Responsible Banking and Finance, University of St. Andrew, U.K.
- ❖ Centre for Banking Research, Cass Business School, U.K.
- ❖ The Libera Università del Mediterraneo (LUM), Italy
- ❖ Essex Finance Centre, Essex University, U.K.
- ❖ Banking, Risk and Intermediation (BRI) research group, Durham Business School, U.K.
- ❖ Credifact, Italian Factoring Association, Italy
- ❖ Banking, Investment and Finance Association, Middlesex University, U.K.

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