IRMC2013
International Risk Management Conference

Salomon Center
NYU NewYork

Università degli
Studi di Firenze

Copenhaghen
Business School

International Risk Management Conference 2013

Copenhagen, June 24th-25th, 2013

“Enduring Financial Stability - Contemporary Challenges for Risk Management and Governance”

<table>
<tr><td>Edition:</td><td>6th</td><td>Location</td><td>Copenhagen Business School</td><td>Date</td><td>June 24th-25th</td></tr>
<tr><td>Title:</td><td colspan="5">Enduring Financial Stability - Contemporary Challenges for Risk Management and Governance</td></tr>
<tr><td>Host Institution</td><td colspan="5">Copenhagen Business School</td></tr>
<tr><td>Permanent Conference Co-Chairmen</td><td colspan="5">University of Florence - Prof. Oliviero Roggi
NYU - Stern School of Business, Salomon Center – Prof. Edward. Altman</td></tr>
<tr><td>Host Institution Chairman</td><td colspan="5">Torben Juul Andersen - Department of Strategic Managment and Globalization
Steffen Andersen - Department of Economics
Bjarne Astrup Jensen - Department of Finance</td></tr>
<tr><td>Conference Consultants</td><td colspan="5">Giorgio Bertinetti, University of Venice
Maurizio Dallocchio, Bocconi University
Maurizio Fanni, University of Trieste
Herbert Rijken, VU University Amsterdam
Riccardo De Lisa, University of Cagliari & FITD</td></tr>
<tr><td>Keynote Speakers e Invited Speakers</td><td colspan="5">Edward I. Altman (NYU Stern School of Business)
Richard A. Bettis (UNC – Chapel Hill)
Phil Bromiley (UC – Irvine)
Glenn W. Harrison (Georgia State University)
Mario Nava (The European Commission)
Lasse H. Pedersen (Copenhagen Business School and NYU Stern School of Business)
Lars Rohde (Governor - Danmarks Nationalbank)
Anthony Saunders (NYU Stern School of Business)
Hersh Shefrin (Santa Clara University)</td></tr>
<tr><td>Registered Participants</td><td colspan="2">132</td><td>Guests & Authorities</td><td colspan="2">25</td></tr>
<tr><td>Papers submitted</td><td>123</td><td>Papers Accepted</td><td>66</td><td>Paper Presented</td><td>54</td></tr>
</table>

International Risk Management Conference 2013

Copenhagen, June 24th-25th, 2013

Scientific Committee	Viral Acharya (New York University - Stern) Edward Altman (New York University - Stern) Annarita Bacinello (University of Trieste) Giorgio Bertinetti (University of Venice) Marco Bigelli (University of Bologna) Lorenzo Caprio (University Cattolica) Ada Carlesi (University of Pisa) Alessandro Carretta (University of Rome - Tor Vergata) Maurizio Dallocchio (Bocconi University) Riccardo De Lisa (University of Cagliari) Maurizio Fanni (University of Trieste) Gabriele Fiorentini (University of Florence) Franco Fiordelisi (University of Rome Tre) Marcello Galeotti (University of Florence) Elisa Luciano (University of Turin) Giovanni Palomba (University of Rome La Sapienza) Paolo Paruolo (University of Insubria) Loriana Pelizzon (University of Venice) Herbert Rijken (VU of Amsterdam) Andrea Resti (Bocconi University) Oliviero Roggi (University of Florence) Francesco Saita (Bocconi University) Win Schoutens (Catholic University of Leuven) Anthony Saunders (New York University - Stern) Marti Subrahmanyam (New York University - Stern) William Ziemba (University of British Columbia) Torben J. Andersen (Copenhagen Business School) Steffen Andersen (Copenhagen Business School) Bjarne Astrup Jensen (Copenhagen Business School) Zvi Bodie (Boston University) Mario Massari (Bocconi University)

Monday June 24th 2013 – Morning

Time	Event
8.00 – 9.00	Conference registration
9.00 – 10.30	**Opening and plenary session (1)** **Chairmen: Torben Juul Andersen (CBS Strategic Management & Internationalization) & Oliviero Roggi (UNIFI & RBF)** 9.00 Welcoming remarks CBS, RBF, Local Authorities greetings, Conference Opening 9.30 **Richard Bettis (UNC Chapel Hill) -** "Strategic Risk Analysis: Dealing with True Uncertainty" Featured Lecture: 10.10 **Phil Bromiley (UC Irvine)** - "Where is the ROA in ERM?"
10.40-11.10	Coffee Break
11.10 – 12.50	**Parallel session (A)**

Area	**Liquidity Risk and Banks Regulation**	**Corporate Finance**	**Quantitative tools for Risk Management**	**Sovereign default and Macro Risk**
	Chairman: F. Bazzana	Chairman: M. Dallocchio	Chairman: B. Maillet	Chairman: E. I. Altman
	Room Ks43	**Room Ks48**	**Room Ks54**	**Room Ks71**
11.10 – 11.35	"Bank runs, liquidity and macro-prudential regulation" Author: Ahnert T.	"The German Humpback: Internationalization and Foreign Exchange Hedging" Author: Aabo T.	"Factors influencing bank risk in Europe" Authors: Baselga-Pascual L. – Cardone-Riportella C. – Trujillo-Ponce A.	"European Sovereign Rating Actions and CDS Spread Volatility" Authors: Raimbourg P. – Salvadè F.
11.35 – 12.00	"The Nexus between Competition and Efficiency: the European Banking Industries Experience" Authors: Andries A. M. – Capraru B.	"Equilibrium-Based Volatility Models of the Market Portfolio Rate of Return" Author: Feldman D. – Xu X.	"When Micro Prudence increases Macro Risk: The Destabilizing Effects of Financial Innovation, Leverage and Diversification" Authors: Corsi F. – Lillo F. – Marmi S.	"The impact of bailouts on the default risks of banks and governments" Author: Stanga I.
12.00 – 12.25	"Liquidity premium in CDS markets" Author: Wilde C.	"Managerial Discretion, Uncertain Financing, and Investment" Author: Zucchi F.	"A Multivariate Regime-Switching Model for Interest Rate Pass-Through during the Financial Crisis" Authors: Aristei D. –Gallo M.	"The Microstructure of the European Sovereign Bond Market: A Study of the Euro-zone Crisis" Authors: Pelizzon L. – Subrahmanyam M. – Tomio D. – Uno J.
12.25- 12.50	"Financial Inclusion for Stability: Access to Bank Deposits and the Deposit Growth during the Global Financial Crisis" Authors: Han R. – Melecky M.	"Leverage Decisions in Portfolio Management" Authors: Nohel T. – Todd S. – Wang Z.	"A Random Field LIBOR Market Model with Lognormal-Mixture Dynamics" Authors: Wu T. – Xu S.	"Sovereign Rating Adjustment using Market Information" Authors: Guegan D. – Hassani B. – Zhao X.
12.50 -14.00	Lunch			

Minor changes may be made to the program
Legenda: underlined the paper presenter

Monday June 24th 2013- Afternoon

Location: Copenhagen Business School

Time	Event			
14.00 – 16.00	**Parallel session (B)**			
Area	**Systemic Risk and Regulation**	**Risk Governance and Strategic Management**	**Empirical Asset pricing and valuation**	**Credit Risk and Tools for financial stability**
	Chairman: M. Iwanicz - Drozdowska	Chairman: T. Andersen	Chairman: B. A. Jensen	Chairman: J. De Spiegeleer
	Room Ks43	Room Ks48	Room Ks54	Room Ks71
14.00 – 14.25	"A simulation approach to distinguish risk contribution roles in systemic crisis" Authors: Cannas G. – Pagano A. - Zedda S.	"Exploring The Corporate Risk Outcomes of Effective Dynamic Capabilities" Authors: Andersen T. – Hansen A.	"Measuring Equity Risk with Range-based Correlations" Author: Golubovskaja L.	"Hybrid Bonds : Basic Assumptions Revised and Solutions Provided" Authors: De Spiegeleer J. – Schoutens
14.25 – 14.50	"The Disturbing Interaction Between Countercyclical Capital Requirements and Systemic Risk" Authors: Horvath B. – Wagner W.	"Risk Management and Balance Sheet Volatility during turbulent times" Author: Giuliani F.	"Volatility Downside Risk" Authors: Farago A. – Tedongap R.	"Contraction or steady state? An analysis of credit risk management in Italy in the period 2008-2012" Authors: Danovi A. – Olgiati S.
14.50 – 15.15	"Regulation of G-SIFI. Does one size fit all?" Authors: Iwanicz-Drozdowska M. - Schab I.	"Fumbling in the darkness. New perspectives on Strategic Risk Management" Author: Torp S.	"The Cross-section of tail risk in stock returns" Author: Moore K.	"Ultimate Recovery Mixtures" Authors: Altman E. – Kalotay E.
15.15 – 15.40	"New Evidence on Procyclical Bank Capital Regulation: The Role of Bank Loan Commitments" Author: Park K. Y.	"The culturally embedding of risk management – A case study research at Sparta Rotterdam" Authors: Hammerstein R. – O'Dwyer B.- Vieira R.	"Institutional Trading Strategies and Contagion Around the Financial Crisis" Authors: Kotha K. – Anshuman R.	"The Co-CoVaR and some other Fair Systemic Risk Measures with Model Risk Corrections" Authors: Maillet B. – Boucher C. – Kouontchou P. – Scaillet O.
15.40 -16.15	Coffee Break			
16.15 – 18.00	**Plenary session (2) Chairman: Bjarne Astrup Jensen (CBS Finance)** 16.30 **Lasse Pedersen (Copenhagen Business School and NYU Stern School of Business) -** "Funding Frictions in Financial Markets" 17:15 **Anthony Saunders (NYU Stern School of Business) -** "Interconnectedness in the syndicated loan market and its link with the financial crisis"			
19.00	Boat Cruise and Gala Dinner			

Minor changes may be made to the program
Legenda: underlined the paper presenter

Tuesday June 25th 2013 - Morning

Location: Copenhagen Business School

Time	Event			
9.00 – 10.30	**Parallel session (C)**			
Area	**Market and Bank efficiency and regulation**	**Corporate Governance, Risk Management and Valuation**	**Quantitative tools for Credit Risk, Volatility and Capital Structure**	**Bank default and credit risk**
	Chairman: E. Luciano	Chairman: G. Bertinetti	Chairman: P. Szerszen	Chairman: H. Rijken
	Room Ks43	**Room Ks48**	**Room Ks54**	**Room Ks71**
9.00 – 9.25	"Competition of High-Frequency Market Makers and Market Quality" Author: Breckenfelder J.	"A Blind Spot of Banking Regulation: Level 3 Valuation and Basel Risk Capital" Authors: Glaser M. – Mohrmann U. – Riepe J.	"Poisson Autoregression for Corporate Default Counts" Author: Agosto A. – Cavaliere G. – Kristensen D. – Rahbek A.	"Bank risk – return efficiency and bond spread: Is there evidence of market discipline in Europe?" Authors: Casteuble C. – Nys E. – Rous P.
9.25 – 9.50	"The Redistributive Effects of Financial Deregulation" Authors: Korinek A. – Kreamer J.	"The Effect of the Enterprise Risk Management Implementation on the Firm Value of European Companies" Authors: Bertinetti G. – Cavezzali E. Gardenal G.	"Credit Spread Volatility: Findings from the U.S. Corporate Bond Market" Author: Cheng G.	"To What Extent are Prospects of Bank Distress Reflected in the Market Valuation of Bank Capital? Evidence from Europe" Authors: Altman E. – Campolongo F. - Cizel J. – Rijken H.
9.50 – 10.15	"Credit Information Institute and the Efficiency of Credit Market" Authors: Susai M. – Hiruma F.	"Default Risk and Corporate Governance in Financial vs. Non-Financial Firms" Authors: Switzer L. – Wang J.	"Bayesian Estimation of Time-Changed Default Intensity Models" Authors: Gordy M. – Szerszen P.	"Cost of Bank Financing, Corporate Income Taxation, and Asset Securitization: Evidence from OECD countries" Authors: Gong D. – Ligthart J.
10.15 – 10.40	"The Organization of Bank Affiliates; A Theoretical Perspective on Risk and Efficiency" Authors: Luciano E. – Wihlborg C.	"Hedging and the Failures of Corporate Governance: Lessons from the Financial Crisis" Author: Zeidan R.	"The optimal covenant threshold in loan contracts" Author: Bazzana F.	"Predicting Distress in European Banks" Authors: Betz F. – Oprica S. – Peltonen T. – Sarlin P.

Time	Event
10.40-11.10	Coffee Break
11.10– 12.40	**Plenary session (3) Chairmen: Steffen Andersen (CBS Economics) & Menachem Brenner (NYU Stern)** 11.20 **Hersh Shefrin (Santa Clara University) –** "Behavioral Lessons for the Regulation and Practice of Risk Management" Featured lecture: 11.55 **Glenn Harrison (Georgia State University)** "Behavioral Risk Management: Just Don't Drink the Kool-Aid!"
12.40-14.00	Lunch Poster Session

Posters Session – room Sp202
"Minimizing "a key cause" of the 2008 financial crisis: Governance failure" Authors: Pirson M. – Turnbull S.
"Exploring the determinants of European Bank CDS spreads" Authors: Samaniego R. – Trujillo A. - Cardone C. – Parrado P.
Bankruptcy prediction in Italy. A Z-Score model's application" Authors: Danovi A. – Falini A. – Altman E.
"Russian Stock Market: Is It Efficient?" Authors: Darushin I. – Lvova N.
"Anti-competitive acquisitions and the value of industry rivals" Authors: Alexeev V. - Parlapiano F.
"Effects of Eurozone Sovereign Debt Crisis on Firms Credit" Author: Fantini G.
"Optimal Hedging Strategy for Risk Management on a Network" Author: Gupta A.
"Making Risk Management Strategic" Author: Sax J.
"The Hybridisation of Budgeting and Risk Reporting" Author: Christiansen U.
"Collecting Strategic Risk Information from the Operational Frontline" Author: Hallin C.
"Searching for Consistent Indices of Rating Mobility Through the Crisis" Author:Lacitignola P.

Minor changes may be made to the program
Legenda: underlined the paper presenter

Location	Time	Event	*Governing Financial Intermediation and economic prospect*	Location
CBS	14.00 – 16.00	Professional Workshop First Session	Chairman: B. Astrup Jensen 14.00-14.05 Welcome and Greetings: Oliviero Roggi 14.05-14.35 **Mario Nava** "How the European Financial Regulators address the major risk faced by Europe" including Q&A 14.35-15.05 **Lars Rohde** "New Financial Regulation and it's impact on business climate - a Central Bank view" 15.05-15.35 **Edward Altman** "Current conditions and outlook for global sovereign and corporate credit market. A US perspective on the Euro Crises 15.35-16.00 Debate	CBS
	16.00 – 16.20	Coffee break	***Risk Management at work. Institutional responses to the vulnerable environment***	
	16.20 – 18.20	Professional Workshop Second Session	Chairman: T. J. Andersen 16.20-16.35 **Michael Erlandsson Jensen** (First Vice President, Operational Risk Management, Danske Bank) 16.35-16.50 **Vibeke Aggerholm** (Head of Internal Audit, Carlsberg) 16.50-17.05 **Sigurd Carlsen** (Head of Planning and Development, Group Risk Management, Nordea) 17.05-17.20 **Hans Læssøe** (Senior Director, Strategic Risk Management, The LEGO Group) 17.20 – 18.00 Debate	
	18.20 – 18.30	Conference Closing		
	18.30-20.00	Cocktail		

Minor changes may be made to the program
Legenda: underlined the paper presenter