The School of Business Administration, The Hebrew University of Jerusalem

NYU Stern School of Business

The University of Florence

IRMC-2016: "Risk Management and Regulation in Banks and Other Financial Institutions – How to Achieve Economic Stability?"

June 13-15, 2016, Jerusalem

Lectures will take place at The Belgium House, Edmond J. Safra campus of The Hebrew University of Jerusalem, Givat Ram and at The Mishkenot Sha'ananim Conference Center

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

Monday June 13, 2016 – Afternoon

Location: Hebrew University of Jerusalem
The Belgium House, Edmond J. Safra campus

Time	Event			
12.30-13.40	*Registration*			
13.40-13.50	*Greetings: **Oliviero Roggi** and **Dan Galai***			
13.50-14.00	*Opening remarks and Introduction **: Yishay Yafeh***			
14.00-15.45	**Plenary 1** **Robert Israel Aumann** (Nobel Laureate in Economics (2005),The Hebrew University of Jerusalem) – *Economic Lessons from the 08-09 Crisis* **Karnit Flug** (Governor of the Bank of Israel) – *The Israeli economy: current trends, strength and challenges*			
15.45 –16.15	Coffee break			
16.15 –18.15	**Parallel session (A)**			
Area	**A1. Credit risk**	**A2. Systemic risk and contagion**	**A3. Corporate finance and Risk Taking**	**A4. Financial Modeling**
	Chairman: E.I. Altman	*Chairman:* B. Z. Schreiber	*Chairman:* R. Shalom-Gilo	*Chairman:* Z. Wiener
	Room 1	**Room 2**	**Room 3**	**Room 4**
16.15 –16.40	Business cycles from the prospective of a rating agency Authors: Y. Kaniovskyi, D. Boreiko, S. Kaniovski, G. Pflug	What do CDS tell about bank-insurance risk spillovers? Evidence from Europe Authors: A. Paltrinieri, S. Miani, A. Dreassi, A. Sclip	Blockholder Heterogeneity and the Dance Between Blockholders Authors: M. Ziv, C. Hadlock	Banking Globalization, Local Lending and Labor Market Outcomes: Micro-level Evidence from Brazil. Author: M. Ossandon Busch
16.40-17.05	Application of Actuarial Methods For Corporate Financial Distress Prediction in small emerging market – example from Bosnia and Herzegovina Author: S. Stevanovic	Do capital adequacy and credit quality affect systematic risk? An investigation on a sample of European listed banks at light of EBA stress tests Authors: A. Paltrinieri, S. Miani, J. Floreani	CEO narcissism and corporate risk taking Authors: T. Aabo, N. Bang Eriksen	The determinants of CDS spreads: evidence from the model space Authors: M. Pelster, J. Vilsmeier
17.05 –17.30	Assessing Basel III Authors: J. Cizel, E.I. Altman, H. Rijken	What is a SIFI? On the Systemic Importance of Financial Institutions as determined by an Extended CAPM with Systemic Risk Authors: J. Garibal, B. Maillet	Politically motivated corporate decisions: evidence from China Authors: D. Feldman, J. Li, K. Saxena	Distributing the Value of a Firm Between Equity and Debt Holders Author: G. Finkelstein
17.30-17.55	Ambiguity, Volatility and Credit Risk Authors: Y. Izhakian, P. Augustin	"Too-Big-To-Fail", Credit Ratings, and Dodd-Frank Act: Evidence from the Bond Market Authors: P. Liu, J. Gu, Y. Shao	Do Firms Hedge Optimally? Evidence from an Exogenous governance Change Authors: S. Huang, U. Peyer, B. Segal	Filtering for Risk Assessment of Interbank Network Authors: M. Simaan, A. Gupta, K. Kar
17.55-18.15	Q&A	Q&A	Q&A	Q&A
19.00	*Concert and Cocktail at the Jerusalem Music Center and Montefiore Restaurant*			

Tuesday June 14, 2016 – Morning

Location: Mishkenot Sha'ananim Conference Center

Tuesday June 14, 2016 – Morning

Location: Mishkenot Sha'ananim Conference Center

Time	Event			
9.00-11.00	**Parallel session (B)**			
Area	**B1. Corporate governance and compensation**	**B2. Banking and liquidity risk**	**B3. Corporate finance and risk management**	**B4. Volatility and Market Behavior**
	Chairman: G. Barone Adesi	*Chairman: M. Crouhy*	*Chairman: O. Roggi*	*Chairman: M. Brenner*
	Room 1	**Room 2**	**Room 3**	**Room 4**
9.00-9.25	Executive Compensation and Operating Leverage Authors: D. Weiss, D. Aboody, S. Levi	High Value Household Deposits in the Eurozone: Single Post-Crisis Approach vs. National Facts and Their Consequences for Funding Stability of Credit Institutions Author: K. Kochaniak	Input Hedging, Output Hedging and Market Power Authors: S. A. Ravid, D. De Angelis	Volatility Measures as Predictors of Extreme Returns Author: L. Switzer
9.25-9.50	Optimal regulation, Executive Compensation and Risk Taking by Financial Institutions Authors: A. Raviv, J. Hilscher, Y. Landskroner	Liquidity determinants in the UK gilt market Authors: E. Beno, F. Zikes	The degree of free cash flow leverage and valuation Authors: Y. Kroll, D. Aharon, S. Riff	Multivariate Jump Diffusion Model with Markovian Contagion Authors: P.J. De Carvalho, A. Gupta
9.50-10.15	Contractual and Tournament Incentives in the Mutual Fund Industry Author: E. Pikulina	Do Bank Boards Focus Adequately on Risk? Authors: S. Agarwal, S. Kamath, K. Subramanian, P. Tantri	Aggregate corporate debt components and macroeconomic predictability Author: O. Milo Cohen	Optimal trading strategies with limit orders Author: R. Agliardi
10.15-10.40	Corporate Governance and Default Risk in Financial Firms over the Post Financial Crisis Period: International Evidence Authors: L. Switzer, J. Wang, Q. Tu	Financial companies' failures: early warning information from systematic and systemic risk measures Authors: O. Roggi, A. Giannozzi, F. Cipollini, F. Menchetti	Volatility, Liquidity, and Liquidity Risk Authors: D. Amiram, B. Cserna, A. Levy	Related Securities and the Cross-section of Stock Return Momentum Authors: J. Lee, A. Naranjo, S. Sirmans
10.40-11.00	Q&A	Q&A	Q&A	Q&A
11.00-11.15	Coffee break			
11.15-12.45	**Plenary 2** Chairman: Maurizio Dallocchio, Bocconi University **Michel Crouhy** (Natixis) - *Stress Testing for Regulatory and Strategic Planning Purposes* **Giovanni Barone Adesi** (Swiss Finance Institute) **–** *Crude Oil option implied VaR and CvaR*			
12.45-13.45	Lunch at Mishkenot Sha'ananim			

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Tuesday June 14, 2016 - Afternoon ***Location: Mishkenot Sha'ananim Conference Center***

Time	Event			
13.45-15.50	**Plenary 3** Chairman: Oliviero Roggi, University of Florence **Menachem Brenner** (NYU Stern) – *Informed Options Trading Prior to Corporate Events* **Linda Allen** (City University of New York) – *What's the Contingency? A Proposal for Bank Contingent Capital Triggered By Systemic Risk* **Yakov Amihud** (NYU Stern) - *The pricing of corporate foreign sales risk*			
15.50-16.05	Coffee break			
16.10-18.15	**Parallel Session (C)**			
Area	**C1. Behavioral Aspects**	**C2. Financial Decision Making**	**C3. Value-at-Risk (VaR)**	**C4. Banking system and Basel III**
	Chairman: O. Sade	*Chairman:* I. Venezia	*Chairman: H.A. Benink*	*Chairman: L. Allen*
	Room 1	**Room 2**	**Room 3**	**Room 4**
16.10-16.30	CAPM: an absurd model Author: P. Fernandez	Distressed Stocks in Distressed Times Authors: E. Misirli, A. Eisdorfer	Modelling Tail Risk in a Continuous Space - An application to Value at Risk and Expected Shortfall Measurements Author: D. Maillard	Moral language in the Basel Accords: A quantitative analysis Authors: H. Jabotinsky, E. Sagi
16.30-16.55	The Liquid Hand-to-Mouth: Evidence from Personal Finance Management Software Authors: A. Vardardottir, M. Pagel	Employing Priming to Shed Light on Financial Decision-making Processes: Professionals versus Laymen Behavior Author: D. Kliger	Assessing performance of liquidity adjusted value-at-risk-models Authors: V. Daka, S. Basu	Prepayment and default of consumer loans in online lending Author: Z. Li
16.55-17.20	Can Smoking Harm Your Long-Term Saving Decisions? Authors: O. Sade, A. Hurwitz	Rating of Mutual Funds Authors: Y. Hecht, Y. Mugerman, Z. Wiener	Daily VaR Forecasts of EUR/PLN with Realized Volatility, Bipower Variation and GARCH Models Author: B. Będowska-Sójka	Coupon cancellation and call extension risk: two underestimated risk factors in Contingent Convertibles (CoCos) evaluation Authors: K. Liberadzki, M. Liberadzki
17.20-17.55	Benefits of Innovation: Quantifying Its Effects on Corporate Performance Authors: R. Moro, S. Aliakbari, D. Nepelski, G. De Prato	Accounting Accruals and Short-Selling: Evidence from Quarterly Data Authors: T. Kang, G. Gotti, B. Erturk	The Effect of Contingent Convertibles (CoCos) on Issuer's Solvability. Authors: K. Liberadzki, M. Liberadzki, P. Jaworski	Bank Risk Dynamics where assets are risky debt claims Authors: S. Peleg, A. Raviv
17.55-18.15	Q&A	Q&A	Q&A	Q&A
19.15	*Gala dinner at Mount Zion Hotel*			

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Wednesday June 15, 2016 – Morning and afternoon ***Location: Mishkenot Sha'ananim Conference Center***

<table>
<tr><td>Time</td><td colspan="4">Event</td></tr>
<tr><td>Area</td><td colspan="4">Professional Workshop: New Challenges in Risk Management</td></tr>
<tr><td>9.00-10.20</td><td colspan="4"><u>Plenary 4</u>
Shmuel Hauser (Chairman of the Israel Securities Authority) - How to reconcile technological progress with investor protection
Edward I. Altman (NYU Stern) - Where Are We in the Credit Cycle?</td></tr>
<tr><td>10.20-10.40</td><td colspan="4">Coffee Break</td></tr>
<tr><td>10.40-12.00</td><td colspan="4"><u>Plenary 5</u>
Yossi Beinart (CEO of the Tel Aviv Stock Exchange) - The Advantages of Central Clearing
Ben Golub (CRO of Blackrock) - Market-Driven Scenarios: An Approach to Plausible Scenario Construction</td></tr>
<tr><td>12.00-12.15</td><td colspan="4">Coffee Break</td></tr>
<tr><td>12.15-13.15</td><td colspan="4"><u>Round table</u>: Regulation issues in Risk Management
Moderator: Zvi Wiener (The Hebrew University of Jerusalem and PRMIA)
Ben Golub (CRO of Blackrock), Hedva Ber (Supervisor of Banks at the Bank of Israel), Alex Tsigutkin (CEO of AxiomSL), Menachem Brenner (NYU), Gitit Gur-Gershgoren (Chief Economist at the Israel Securities Authority)</td></tr>
<tr><td>13.15-14.15</td><td colspan="4">Lunch at Mishkenot Sha'ananim</td></tr>
<tr><td>14.15-16.15</td><td colspan="4">Parallel Session (D)</td></tr>
<tr><td>Area</td><td colspan="2">D1. Workshop on FINTECH, innovation and Risk Management</td><td colspan="2">D2. Aspects of Risk Management in the Israeli market</td></tr>
<tr><td></td><td colspan="2">Chairman: Dan Galai</td><td colspan="2">Chairman: Ben Z. Schreiber</td></tr>
<tr><td>14.15-14.40</td><td rowspan="5">Room</td><td>Alla Gil (CEO of Straterix). Stress Scenario Construction: from Black Swans to Snowball Effect</td><td rowspan="5">Room</td><td>The Asymmetric Market Reaction of Stockholders and Bondholders to the Implementation of Early-Warnings Pre Going Concern Opinion
Authors: K. Bar-Hava, <u>R. Katz</u></td></tr>
<tr><td>14.40-15.05</td><td>Alex Tsigutkin (CEO of AxiomSL)
Navigating Risk and Regulatory Maze with a Clearer Vision</td><td>Pyramidal ownership - effects of dynamic changes on stocks and bonds
Authors: <u>H. Axelrad</u>, D. Galai, G. Gur Gershgoren</td></tr>
<tr><td>15.05-15.30</td><td>Ronen Feldman (The Hebrew University of Jerusalem)
Text Analytics Based Risk Analysis Platform</td><td>Quiet regulation: formal and informal enforcement
Author: <u>S. Yadin</u></td></tr>
<tr><td>15.30-15.55</td><td>Yonatan Sompolinsky (The Hebrew University of Jerusalem)
The Security of Bitcoin and Alternative Blockchain Protocols</td><td>Carry trading in the Israeli FX market: A time-varying currency risk premium
Authors: <u>A. Mantzura</u>, B. Schreiber</td></tr>
<tr><td>15.55-16.15</td><td>Q&A</td><td>Q&A</td></tr>
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