



University of Essex



**ESSEX
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CENTRE**
ESSEX BUSINESS SCHOOL

2021 FINEST Autumn Workshop

9 - 10 December 2021

Conference Venue

Zoom

Organized by

Essex Finance Centre, Essex Business School, U.K.

**To register for the event, please email Ms Hayley Bennett
hb18701@essex.ac.uk by Dec 6, 2021**

<http://www.finest-network.eu>

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 policy-makers and financial sector practitioners.

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.

All those who 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 regarded in the academic environment. Working papers will be peer-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.

Workshop Organizers

Franco Fiordelisi, Essex Business School, U.K.

Claudia Girardone, Essex Business School, U.K.

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Franco Fiordelisi, Essex 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 Discussants

Matteo Benetton is an Assistant Professor in the Finance Group at Berkeley Haas. Matteo received his PhD in economics at LSE in 2018 and his research has been awarded the EARIE Paul Geroski Prize for the most significant policy contribution and the first CEPR-TFI Household Finance Best Student Paper Award. His current work centers on the intersection between competition in the lending market, mortgage product design, and regulation.

Robert (Bob) DeYoung is the Koch Foundation Distinguished Professor in Business Economics and Harold Otto Chair in Economics at the University of Kansas School of Business. Bob joined the KU faculty in 2007. Before becoming a Jayhawk, Bob worked as an Associate Director of Research at the Federal Deposit Insurance Corporation (2005-2007), an Economic Advisor at the Federal Reserve Bank of Chicago (1998-2005), a Senior Economist at the Office of the Comptroller of the Currency (1992-1998), and a Joyce Foundation Teaching Fellow at Beloit College (1988-1992). In 2015, Bob was named a Distinguished Scholar by the French Finance Association for his “Outstanding Contributions to the Field of Finance and Banking.” He has served as Co-Editor of the *Journal of Money, Credit and Banking* at The Ohio State University since 2009.

Jennifer Dlugosz is a principal economist at the Federal Reserve Board. Before joining the Board, she was an Assistant Professor of Finance at the Olin Business School of Washington University in St. Louis. Her research focuses on financial intermediation and has been published in top academic journals such as the *Journal of Financial Economics*, *Journal of Financial Intermediation*, and the *Journal of Monetary Economics*. Some of her current research interests include financial inclusion, organizational economics, and financial innovation. She received her Ph.D. in Business Economics from Harvard University and dual bachelor’s degrees in Systems Engineering and Finance from the Jerome Fisher Program in Management & Technology at the University of Pennsylvania.

Mariassunta Giannetti is Professor of Finance at the Stockholm School of Economics, she holds a Ph.D. in Economics from the University of California, Los Angeles and completed her B.A. and M.Sc. at Bocconi University (Italy). She is also a CEPR research fellow in the financial economics program and a research associate of the ECGI. Professor Giannetti has broad research interests in corporate finance and financial intermediation. She studies both empirically and theoretically how formal institutions (such as investor protection) and informal institutions (such as culture and social norms) affect corporate finance, investor behavior, asset valuations, and economic and financial integration. Her publications have appeared in leading journals in Finance, Economics and Management, including *The Journal of Finance*, the *Journal of Financial Economics*, the *Review of Financial Studies*, *American Economic Review*, *Journal of Financial and Quantitative Analysis*, and *Management Science*.

Vasso Ioannidou is a Professor of Finance at the Bayes Business School (formerly Cass) at the University of London and a research fellow of the Center for Economic Policy Research. Prior to joining City in 2021, Vasso was a Professor of Finance at Lancaster University and at Tilburg University. Vasso's research is in the intersection of banking, corporate finance, and monetary economics. She has published in leading finance journals, including the *Journal of Finance*, the *Journal of Financial Economics*, *Management Science*, and the *Review of Finance*. Her work is regularly presented in leading international conferences around the world, such as the AFA, EFA, FIRS, NBER, and WFA. Vasso maintains research links with policy institutions and central banks. She currently serves as an associate editor of the *Journal of Banking and Finance*. Vasso holds a PhD in Economics from Boston College.

Anna Kovner is the Policy Leader for Financial Stability at the Federal Reserve Bank of New York. Her policy work focuses on financial stability including financial intermediation and systemic risk. Her research focuses on topics in corporate finance, including banking

and venture capital. Her articles have been published in the *Journal of Finance*, *Journal of Financial Economics*, and the *Journal of Financial Intermediation*, among other journals. Prior to graduate school, she worked as a financial analyst. She received an AB in Economics from Princeton, an MBA from Harvard Business School where she was a Baker Scholar, and her PhD in Business Economics from Harvard University.

Marco Pagano is Professor of Finance at the University of Naples “Federico II” and Director of Center for Studies in Economics and Finance. His research is in the areas of banking, corporate finance, and market microstructure, and currently focuses mostly on issues at the interface between labor and finance. He is member of the Einaudi Institute for Economics and Finance, CEPR research fellow in the financial economics program and a research associate of the ECGI. He widely published on economic and financial journal as *Journal of Finance*, *American Economic Review*, *Review of Financial Studies* among the others. He holds a Ph.D. from the M.I.T. He was managing Editor of the *Review of Finance*.

George G. Pennacchi is the Fred S. Bailey Memorial Chair of Finance at the University of Illinois at Urbana-Champaign. He is a Research Associate at the Federal Reserve Bank of Cleveland and a Research Fellow at the Bank of Finland. His research focuses on financial intermediaries and the valuation of fixed-income securities and government guarantees. Currently, he is an associate editor for the *Journal of Financial Intermediation*, the *Journal of Financial and Quantitative Analysis*, the *Journal of Financial Services Research*, and the *Journal of Financial Stability*. His consulting experience includes work for the Financial Stability Board, the U.S. Office of Management and Budget, the World Bank, the IMF, and the Federal Reserve Board of Governors. He has been a visiting professor at Bocconi University and was a finance faculty member at the Wharton School of the University of Pennsylvania. Mr. Pennacchi received a Sc.B. degree in applied mathematics from Brown University in 1977 and a Ph.D. in economics from MIT in 1984.

Raluca A. Roman is Senior Financial Economist at the Federal Reserve Bank of Philadelphia. Much of Raluca’s research focuses on bank bailouts and bail-ins and how they fit together with other policy tools. Her research has also expanded to interactions between banking and consumer finance since consumers play key roles in the economy. Raluca has published articles in the *Journal of Financial and Quantitative Analysis*; *Management Science*; *Journal of Financial Intermediation*; *Journal of Money, Credit, and Banking*; *Journal of Corporate Finance*; and *Journal of Banking and Finance*, as well as chapters in the *Handbook of Finance and Development* and *Oxford Handbook of Banking*. She has received four awards for her research. Previously, Raluca worked at the Kansas City Fed, UBS Investment Bank, and MasterCard International. Raluca has a Ph.D. in finance from the University of South Carolina, an M.B.A. (finance) from the University of Bridgeport, and a B.A. in economics from Alexandru Ioan Cuza University.

Notes on the Presenters and Chairs

Paul Beaumont is an Assistant Professor of Finance at the Desautels Faculty of Management of McGill University. He joined McGill in August 2020 after a Ph.D. in Finance at Université Paris Dauphine. Before his Ph.D., Paul worked as an economist for the French government. Paul's research relates to the role of financial frictions in the formation of a customer base, the impact of Fintechs on SMEs' access to financing, and firms' choice between organic and inorganic growth.

Carlos Cantú joined the BIS in the spring of 2016. He obtained his MA and PhD in economics from the University of California, Los Angeles. Before obtaining his PhD, he worked for the Bank of Mexico in the Economic Research Department. His fields of interest are international capital flows, financial stability and macroprudential issues.

Dominic Cucic is an economist at the research department of the Danish Central Bank. He holds a PhD in Economics from CEMFI (Madrid) and his research interests are in Banking, Corporate Finance and Macro-Finance.

Claudia Girardone is Professor of Banking and Finance at Essex Business School of the University of Essex where she is Director of the Essex Finance Centre (EFiC) and the School's Director of Research. Her research areas are on banks' financial and social performance, banks' corporate governance and stability, the industrial structure of banking and access to finance. She has published over 50 articles in books and peer-reviewed international journals, including the Journal of Corporate Finance, European Journal of Operational Research, Small Business Economics, and the Journal of Banking and Finance.

Sotirios Kokas is an Associate Professor in Finance at the Essex Business School of the University of Essex. His research interests span the area of financial intermediation with a specific interest in empirical banking. He analyzes issues related to monetary policy; political economy of central banks; bank competition and financial regulation; financial network; and syndicated loan market. He was a visiting scholar at Banco de Portugal, Bank of Finland (Suomen Pankki), BIS, Michigan State University, and Imperial Business School.

Ming-Tsung Lin is currently a lecturer in finance in Essex Business School. Before he joined the EBS, he was a lecturer in De Montfort University after he obtained his PhD in the University of Manchester. His research interests are asset pricing, credit derivatives, and corporate social responsibility and he has several publications in Journal of Banking and Finance, Journal of Empirical Finance, and European Journal of Finance.

Angela Maddaloni is Deputy Head of the Financial Research Division in the Directorate General Research of the European Central Bank. Her research and policy interest cover a wide range of topics related to macro-financial linkages, the transmission of monetary policy, credit and business cycles, and the impact of financial regulation. Her research has been published in the Journal of Financial Economics, the Review of Financial Studies, among others. She holds a PhD in Finance from Columbia University in New York.

Mathieu Mercadier is Associate Professor of Machine Learning & Finance at the ESC Clermont Business School, France. He holds a Ph.D. in Economics from the University of Limoges, France. His research interests mainly cover Machine Learning & Statistics applied to Financial Risk Management. He has published in the *European Journal of Operational Research*.

Mark Paddrik is a senior research economist within OFR's Financial Markets division. Mark's research focuses on the microstructure of electronic and OTC markets, macroprudential stress testing, and central counterparties. His research has been published in leading journals such as the American Economic Review, Management Science, and the Journal of Financial Stability, and has been featured in the Financial Times, Wall Street Journal and Bloomberg.

Raghavendra Rau is the Sir Evelyn de Rothschild Professor of Finance at Cambridge Judge Business School, U.K. He is also a past president of the European Finance Association, and a past editor of Financial Management. He is a founder and director of the Cambridge Centre for Alternative Finance and a member of the Cambridge Corporate Governance Network. He is an Associate Editor of the Journal of Corporate Finance, the Journal of Banking and Finance, Financial Review, the Quarterly Journal of Finance, among others. His papers have been published in The Journal of Finance, Journal of Financial Economics, Management Science, and other journals.

Enrico Sette is deputy head of the Firms and Regional Analysis Division in the Department of Economics and Statistics of the Bank of Italy. His research in banking and corporate

finance has appeared in several academic journals, including the *Review of Financial Studies*, and the *Journal of Financial Economics*, among others.

Jean-David Sigaux is a senior economist in the Directorate General Research of the European Central Bank. His research combines empirical evidence and economic theory in finance. His research interests include money markets, asset pricing, fixed income, and market microstructure. He holds a Ph.D. in finance from HEC Paris.

Francesco Saverio Stentella Lopes is a senior researcher at the University of Rome Tre. His research focuses on Banking and Innovation. His work leverages large datasets with the aim of evaluating economic policies and has been published on renowned academic journals. Before his current appointment he worked at the University of Liverpool Management School and at Bangor Business School. He holds a PhD in Finance from Tilburg University and from the University of Rome Tor Vergata.

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 Master and PhD programs in Banking and Finance. He was appointed as a senior fellow of Institut Universitaire de France in 2017 for recognition of his research achievements. He served as a Vice-President in charge of Research and President of the Scientific Board of the University and as head of the Economics Department and head of international affairs. He also served as a research consultant for ACPR (French Prudential Supervisory Authority), where he is currently a member of the Scientific Committee and has visited universities in many countries. He is currently an editor of *Islamic Economics and Finance Letters* and an associate editor of the *Journal of Money Credit and Banking*, the *Journal of Financial Stability*, the *European Journal of Finance* and other Finance and Economics Journals. His work has appeared in journals such as the *Journal of Financial Economics*, *Review of Finance*, *Journal of Financial Intermediation*, *Journal of Corporate Finance*, *Journal of Banking and Finance*, *Journal of International Money and Finance*, *European Journal of Operational Research* and others.

Jinhua Wang is a PhD Candidate at the Judge Business School, University of Cambridge. His current research interests are the applications of Machine Learning, such as causal inference and Natural-Language-Processing, in financial economics.

John Wilson is professor of Finance and Director of the Centre for Responsible Banking & Finance at the University of St Andrews, U.K. He is also a Member of Scientific Advisory Board of Chartered Association of Business Schools Academic Journal Guide. John serves as Associate Editor to the *Journal of Money Credit and Banking*, *Journal of Business Finance and Accounting*, *Journal of Financial Stability*, *British Accounting Review*, *European Journal of Finance* and *Finance Research Letters*. He also serves on the editorial board of a number of journals including the *Journal of Financial Economic Policy* and the *Journal of Financial Regulation and Compliance*.

Program

9 December 2021

14.10-14.30 (GMT)

Welcome remarks

Franco Fiordelisi, President of Finest

Neil Kellard, Dean of the Essex Business School

Session 1 – Early ideas session

Chair: Raghu Rau

14.30-14.45 (GMT)

Title: **Young Firms and Demand shocks during the COVID19 Crisis**

Authors: Francesco Saverio Stentella Lopes, Franco Fiordelisi

14.45-15.00 (GMT)

Title: **Transmission of Industry-Specific Shocks: The Role of Bank**

Authors: Rajkamal Iyer, Sotirios Kokas, Alex Michaelides, Jose-Luis Peydro

15.00-15.15 (GMT)

Title: **Banks' Risk Clustering Using k-Means: A Method Based on Size and Individual & Systemic Risks**

Authors: Paul Armand, Jean-Pierre Lardy, Mathieu Mercadier, Amine Tarazi,

15.15-15.30 (GMT)

Title: **Sovereign-Momentum Currency Return**

Authors: Giovanni Calice, Ming-Tsung Lin

Coffee break

Session 2

Chair: Amine Tarazi

15.45-16.30 (GMT)

Title: **How do Banks Manage Liquidity? Evidence from the ECB's Tiering Experiment**

Authors: Luca Baldo, Florian Heider, Peter Hoffmann, Jean-David Sigaux

Discussant: Bob DeYoung

16.30-17.15 (GMT)

Title: **Pandemic Lending: The Unintended Effects of Model-Based Regulation**

Author: Franco Fiordelisi, Giulia Fusi, Angela Maddaloni, David Marques-Ibanez

Discussant: Anna Kovner

17.15-18.00 (GMT)

Title: **Nonbank Lending and the Transmission of Monetary Policy**

Authors: Dominic Cucic, Denis Gorea

Discussant: Vasso Ioannidu

10 December 2021

13.55-14.00 (GMT)

Welcome: Claudia Girardone, Essex Business School, UK

Session 3

Chair: Claudia Girardone

14.00-14.45 (GMT)

Title: **How Capital Inflows Translate Into New Bank Lending: Tracing the Mechanism**

Authors: Carlos Cantu, Fernando Chertman, Toni dos Santos, Calixto Lopez, David Moreno, Rafael Nivin

Discussant: Mariassunta Giannetti

14.45-15.30 (GMT)

Title: **Do Investors Pay Less Attention to Female Fund managers**

Authors: Jinhua Wang, Raghu Rau

Discussant: Raluca Roman

15.30-16.15 (GMT)

Title: **Intermediation Networks and Market Liquidity: Evidence from CDS Markets**

Authors: Mark Paddrik, Stathis Tompaidisb;

Discussant: George Pennacchi

Coffee break

Session 4

Chair: John Wilson

16.30-17.15 (GMT)

Title: **Epidemic Exposure, Financial Technology, and the Digital Divide**

Authors: Saka Orkun, Barry Eichengreen, Cevat Giray Aksoy

Discussant: Marco Pagano

17.15-18.00 (GMT)

Title: **Broadband Connection and Credit Supply**

Authors: Angelo D'Andrea, Marco Pelosi, Enrico Sette

Discussant: Jennifer Dlugosz

18.00-18.45 (GMT)

Title: **The Role of FinTech in Small Business Lending**

Authors: Paul Beaumont, Huan Tang, Eric Vansteenberghe

Discussant: Matteo Benetton

Concluding Remarks



Sightseeing & Dinner¹

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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, Bayes 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.

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.

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