8th VIETNAM INTERNATIONAL CONFERENCE IN FINANCE

Sheraton Saigon Grand Opera Hotel
Ho Chi Minh City, July 1 - 2, 2024

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Welcome

We are thrilled to welcome you to the 8th Vietnam International Conference in Finance (VICIF-2024), a collaborative effort by the Vietnam Finance Association International (VFAI), Foreign Trade University (FTU), University of Economics – The University of Danang (UE-UD), University of Economics Ho Chi Minh City (UEH), International University-National University Ho Chi Minh City, and VinUniversity. The conference is held on July 1-2, 2024, in Ho Chi Minh City, a dynamic business hub of Vietnam. It is our privilege to have Professor Kai Li from the University of British Columbia as the Keynote Speaker. We gratefully acknowledge the sponsors of VICIF-2024: the Bank for Investment and Development of Vietnam (BIDV), Vietcombank Hung Vuong Branch, and the Deposit Insurance of Vietnam.

VICIF-2024 is held in-person to foster an open and collaborative environment where participants can network, exchange ideas, and build connections. We envision VICIF-2024 as a vital bridge connecting finance researchers not only within Vietnam but also across the Asia-Pacific region and the global community.

We sincerely thank all Organizing Committee members, paper presenters and their co-authors, discussants, and session chairs for their invaluable contributions to the conference. We wish you all an intellectually stimulating and productive conference.

The Conference Co-Chairs

Hieu Van Phan and Vinh Xuan Vo

Conference Scope

The 8th Vietnam International Conference in Finance (VICIF-2024) takes place on July 1-2, 2024, in Ho Chi Minh City, Vietnam. VICIF-2024 provides an important opportunity for academics, doctoral students, and practitioners to share research interests, present new research results, and discuss current and challenging issues in finance and related topics.

The conference topics include, but are not limited to:

Corporate finance and governance
Finance and sustainability
Financial technology
Behavioral finance
Risk management and quantitative finance
Asset pricing, investment and portfolio management
Financial markets and institutions
Banking and financial regulations
Household finance and financial consumer protection

The conference recognizes research excellence in the form of best paper awards in the following categories:

- Best Paper Award in Corporate Finance, Financial Intermediation and Sustainable Finance
- Best Paper Award in Asset Pricing, Investment, and Financial Technology
- Best Doctoral Student Paper Award

Keynote Speaker

Professor Kai Li, *Professor, UBC Sauder School of Business, University of British Columbia*

Prof. Kai Li, a Fellow of the Royal Society of Canada (Class of 2022), holds the Canada Research Chair in Corporate Governance and W. Maurice Young Endowed Chair in Finance at the UBC Sauder School of Business, University of British Columbia. She was also Senior Associate Dean, Equity and Diversity between 2015-2021. Prof. Li's research focuses on the economic consequences of corporate governance mechanisms. Her current research projects explore: (1) gender, competition, and performance, (2) machine learning in finance, and (3) gender and finance. Her research has appeared in *Journal of Finance*, *Journal of Financial Economics, Review of Financial Studies, Journal of Financial and Quantitative Analysis, Management Science, Journal of International Business Studies*, and many other leading journals in Finance and Economics. She is the recipient of the UBC Killam Research Award, the Sauder School of Business Research Excellence Award (both junior and senior categories), and the Barclays Global Investors Canada Research Award, a Senior Fellow of the Asian Bureau of Finance and Economic Research, a Research Member of the European Corporate Governance Institute, and a Research Fellow of the FinTech at Cornell Initiative. She is a Managing Editor of *Journal of Financial and Quantitative Analysis,* and is on the Editorial Board of *Journal of International Business Studies, Journal of Financial Intermediation, Journal of Financial Stability*, and *Pacific-Basin Finance Journal*. She has also served on the Editorial Board of *Review of Financial Studies, Review of Finance, Management Science, Journal of Corporate Finance, Journal of Banking and Finance*, and *Financial Management*. Her research has been featured in *Wall Street Journal, New York Times, Washington Post, Financial Times, The Time Magazine, Reuters, CNBC, Bloomberg, Dow Jones Newswire, New Yorker, BBC, BNN, CBC National, CTV National News, National Post, Globe and Mail, U.S. News & World Report, Harvard Business Review,* and *Yahoo! Finance*.

Conference Co-chairs

Hieu Van Phan, *University of Massachusetts Lowell*, USA

Vinh Xuan Vo, *University of Economics Ho Chi Minh City*, Vietnam

Organizing Committee

Kien Dinh Cao, *Foreign Trade University, Vietnam*

Viet Nga Cao, *Monash University, Australia*

Lam Tung Dang, *University of Economics – the University of Danang, Vietnam*

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Huu Nhan Duong, *Monash University, Australia*

Hai Hong Ho, *VinUniversity, Vietnam*

Alex Lan Nguyen, *VinUniversity, Vietnam*

My Nguyen, *RMIT University, Australia*

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Anh Tran, *University of Connecticut, USA*

Dat Quoc Trinh, *International University – Vietnam National University HCMC, Vietnam*

Hong Vo, *International University – Vietnam National University HCMC, Vietnam*

Nam Hoang Vu, *Foreign Trade University, Vietnam*

Conference Venue

Sheraton Saigon Grand Opera Hotel
88 Dong Khoi, Ben Nghe, District 1,
Ho Chi Minh City, Vietnam
Tel: +84-28-3827 2828

The main conference activities will be held in *Dalat*, *Hanoi*, and *Saigon* meeting rooms.

The keynote address will be in *VIP 3-4* meeting room.

The conference lunch will be served at *Saigon Café*.

The gala dinner will be held at *Night Spot* on Level 23.

Program at a Glance

Monday, July 1, 2024

12:00 - 13:00 **Registration**

13:00 - 15:00 **Parallel Sessions (A)**

A1. Stock Price Dynamics	**Dalat Room**

Chair: Nhut H. Nguyen, *Auckland University of Technology*

A2. ESG	**Saigon Room**

Chair: Duc Vo, *University of Western Australia*

15:00 - 15:30 **Break**

15:30 - 17:30 **Parallel Sessions (B)**

15:30 - 17:30

B1. Funds	**Dalat Room**

Chair: My Nguyen, *RMIT University*

15:30 - 16:15

B2. Special Session by the Deposit Insurance of Vietnam	**Saigon Room**

Chair: Hieu Phan, *University of Massachusetts Lowell*

16:30 - 17:30

B3. Financial Literacy	**Saigon Room**

Chair: Kien Cao, *Foreign Trade University*

18:30 – 21:30 **Gala Dinner**

+ Best Paper Awards

Tuesday, July 2, 2024

8:30 – 9:00 **Morning Tea**

9:00 - 10:30 **Parallel Sessions (C)**

C1. Asset Pricing	Hanoi Room

Chair: Harvey Nguyen, *Massey University*

C2. International Banking and Finance	Dalat Room

Chair: Yen Ngoc Nguyen, *St Francis Xavier University*

C3. Information	Saigon Room

Chair: Mitchell Warachka, *Chapman University*

10:30 - 11:00 **Break**

11:00 - 12:00

Keynote Address	VIP 3-4

Professor Kai Li, *UBC Sauder School of Business, University of British Columbia*

12:00 - 13:00 **Lunch**

13:00 - 14:30 **Parallel Sessions (D)**

D1. Macro Policies and Risk	Hanoi Room

Chair: Hai Ly Ho, University of Economics, The University of Danang

D2. Corporate Finance and Venture Capital	Dalat Room

Chair: Trang Doan, *Eastern Illinois University*

D3. Climate Finance and CSR	Saigon Room

Chair: Viet Anh Dang, *University of Manchester*

14:30 - 15:00 **Break**

Tuesday, July 2, 2024

15:00 - 16:30 **Parallel Sessions (E)**

E1. Banking and Lending	**Hanoi Room**

Chair: Hieu Phan, *University of Massachusetts Lowell*

E2. Behavioral Factors	**Dalat Room**

Chair: Huu Nhan Duong, *Monash University*

E3. Executives and Labor	**Saigon Room**

Chair: Peter Kien Pham, *University of Sydney*

Program in Detail

Monday, July 1, 2024

12:00 - 13:00 Registration

13:00 - 15:00 Parallel Sessions (A)

A1. Stock Price Dynamics — Dalat Room

Chair: Nick (Nhut) Nguyen, *Auckland University of Technology*

Uncertainty Tone and Stock Price Informativeness
Authors: **Thach Nguyen** (University of Sheffield), Kai Yao (Southwestern University of Finance and Economics), Shiyan Yin (University of Nottingham), Thanaset Chevapatrakul (University of Nottingham)
Discussant: **Minh Nhat Nguyen** (University of Economics, The University of Danang)

Investor Attention and Price Crash Risk of Real Estate Stocks in Vietnam: Approaching at Firm Level
Authors: **Nhung Nguyen** (University of Economics and Business - VNU), Huy Bach Nguyen (University of Economics and Business - VNU), Thu San Nguyen (University of Economics and Business - VNU), Tran Hoang Son Nguyen (University of Economics and Business - VNU), Khanh Chi Nguyen (University of Economics and Business - VNU), Trong Duc Nguyen (University of Economics and Business - VNU)
Discussant: **Anh Nguyen** (Foreign Trade University)

Option Market Liquidity and Stock Price Crash Risk
Authors: Min Deng (Newcastle University Business School, UK), **Minh Nguyen** (Newcastle University Business School, UK), Bartosz Gebka (Newcastle University Business School, UK)
Discussant: **Huu Nhan Duong** (Monash University)

Comparable but Is It Informative? Accounting Information Comparability and Price Synchronicity
Authors: **Mingsheng Li** (Bowling Green State University), Desheng Liu (Qilu University of Technology (Shandong Academy of Sciences), Yiqing Wang (Qilu University of Technology (Shandong Academy of Sciences)
Discussant: **Trang Doan** (*Eastern Illinois University*)

A2. ESG — Saigon Room

Chair: Duc Vo, *University of Western Australia*

When Attention is Away, Shareholders Misplay: Shareholder Distraction and Workplace Misconduct

Authors: **Harvey Nguyen** (Massey University), Tony Zhang (Massey University), Mia Pham (Massey University), Alexander Molchanov (Massey University)

Discussant: **Yue (Susanna) Lu** (RMIT University)

Regulatory Fragmentation and Corporate Social Responsibility

Authors: **Hong Vo** (International University, National University-HCMC), Steven Freund (University of Massachusetts Lowell), Hieu V. Phan (University of Massachusetts Lowell)

Discussant: **Amir Rubin** (Simon Fraser University)

Carbon Risk and Corporate Cash Holdings

Authors: **Hai Ly Ho** (University of Economics, The University of Danang)

Discussant: **Weiou Wu** (London South Bank University)

Biodiversity Risk and Firm Performance

Authors: **Khanh Hoang** (Lincoln University), Thang Ngoc Bach (National Economics University), Thanh Le (University of Wollongong)

Discussant: **Isaac Otchere** (Carleton University)

15:00 - 15:30 ## Break

15:30 - 17:30 ## Parallel Sessions (B)

15:30 - 17:30

B1. Funds — Dalat Room

Chair: My Nguyen, *RMIT University*

Bondholder Fragility Risk and Corporate Liquidity Policy

Authors: **Huu Nhan Duong** (Monash University), Yushui Shi (Monash University), George Baihan Wang (Monash University)

Discussant: **Loc Bui** (Susquehanna University)

Ethical Funds and Return Manipulation

Authors: Tao Chen (Nanyang Technological University), Ben R. Marshall, **Nhut H. Nguyen** (Auckland University of Technology), Quan M.p. Nguyen (University of Sussex), Nuttawat Visaltanachoti (Massey University)

Discussant: **Minh Nguyen** (Newcastle University Business School, UK)

Energy ETF Performances and Climate Risks

Authors: **Minh Nhat Nguyen** (University of Economics, The University of Danang), Ruipeng Liu (Deakin University), Youwei Li (Hull University Business School)

Discussant: **Mingsheng Li** (Bowling Green State University)

The Cost of Committing Environmental Sin: The Case of the NGPF-G Exclusions

Authors: Anup Chowdhury (Leeds Beckett University), **Isaac Otchere** (Carleton University), Muhammad Moshfique Uddin (University of Leeds)

Discussant: **Hai Ly Ho** (University of Economics, The University of Danang)

15:30 - 16:15 B2. Special Session by the Deposit Insurance of Vietnam — Saigon Room

Chair: Hieu Phan, *University of Massachusetts Lowell*

KDIC's Initiatives to Improve the Financial Consumer Protection

Authors: **JaeHoon Yoo** (Chairman and President of Korea Deposit Insurance Corporation)

Discussant: **Binh Thi Thanh Phan** (Deputy General Director of the Deposit Insurance of Vietnam)

16:30 - 17:30 B3. Financial Literacy — Saigon Room

Chair: Kien Cao, *Foreign Trade University*

Does Financial Literacy Make Life Happier? The Causal Impacts of Financial Literacy on Life Satisfaction

Authors: **Duc Vo** (University of Western Australia)

Discussant: **Carlos Rosa** (FUCAPE Business School)

Financial Advisory Influence on Risk Tolerance, Financial Literacy and Use Of Robo-Advisors

Authors: **Carlos Rosa** (FUCAPE Business School), Talles Brugni
Discussant: **Jonathan Lee** (University of Glasgow)

18:30 - 21:30 **Gala Dinner**
+ Best Paper Awards

Tuesday, July 2, 2024

8:30 - 9:00 Morning Tea

9:00 - 10:30 Parallel Sessions (C)

C1. Asset Pricing — Hanoi Room

Chair: Harvey Nguyen, *Massey University*

A Comparison of Factor Models in China
Authors: Jinzhe Wang (Central University of Finance and Economics), **Yifeng Zhu** (Central University of Finance and Economics)
Discussant: Penglu Fu (Renmin University of China)

Is the Performance of Machine Learning in Asset Pricing Context-Dependent?
Authors: Yihe Qian (University of Macau and Guangzhou City University of Technology), **Jinpeng Wang** (Guangzhou City University of Technology)
Discussant: **Harvey Nguyen** (Massey University)

Dynamic Volatility Spillovers Among Gold, Oil, Cryptocurrencies and Stock Markets
Authors: **Anh Nguyen** (Foreign Trade University), Thi To Uyen Pham (Foreign Trade University), Thuy An Le (Foreign Trade University), Thi Ngan Anh Le (Foreign Trade University), Phuong Thao Tran (Foreign Trade University), Vu Hoang Oanh Nguyen (Foreign Trade University)
Discussant: **Nhung Nguyen** (University of Economics and Business - VNU)

C2. International Banking and Finance — Dalat Room

Chair: Yen Ngoc Nguyen (St. Francis Xavier University)

Does Technological Progress Help or Hurt Banks' Performance? Evidence from a Global Sample

Authors: **Xuan-Hoa Nghiem** (International School, Vietnam National University, Hanoi, Vietnam)

Discussant: **Arisyi Raz** (Universitas Indonesia)

Religiosity and the Speed of Corporate Leverage Adjustment: International Evidence

Authors: Hai Ly Ho (University of Economics, The University of Danang), **Yue (Susanna) Lu** (RMIT University)

Discussant: **Dat Quoc Trinh** (International University, HCMC National University)

The Curious Case of Shackled Leviathan: State Capacity, Civil Liberty, and Bank Intermediation

Authors: Seyit Gokmen (Abdullah G¨ul University), **Arisyi Raz** (Universitas Indonesia)

Discussant: **Khanh Hoang** (Lincoln University)

C3. Information — Saigon Room

Chair: Mitchell Warachka (Chapman University)

Production Technology, Information Acquisition and Disclosure, and Asset Prices

Authors: **Minxing Zhu** (University of Macau)

Discussant: **Mitchell Warachka** (Chapman University)

Information Content of Dividend Changes, Information Asymmetry, and Shareholder Protection

Authors: **Loc Bui** (Susquehanna University)

Discussant: **Trung K. Do** (University of Economics, The University of Danang)

Loan Renegotiation and Information Diffusion: The Role of Insider Trading

Authors: **Christian Steiner** (University of Bern), Philip Valta (University of Bern)

Discussant: **Viet Anh Dang** (University of Manchester)

10:30 - 11:00 **Break**

11:00 - 12:00 **Keynote Address** | **VIP 3-4**

Professor Kai Li, *UBC Sauder Business School, University of British Columbia*

12:00 - 13:00 **Conference Lunch**

13:00 - 14:30 **Parallel Sessions (D)**

D1. Macro Policies and Risk | Hanoi Room

Chair: Hai Ly Ho, *University of Economics, The University of Danang*

Income and Displacement Effects of FDI: A comparison of Chinese, US and European FDI Outflows to Africa

Authors: **Abhijit Sharma** (University of Huddersfield), Aliyu Isah (University of Lincoln), Yilmaz Yildiz (University of Kent Business School)

Discussant: **Duc Vo** (University of Western Australia)

Economic Policy Uncertainty and Dividends: New Moderating Evidence from the Japanese Market

Authors: **Dat Quoc Trinh** (International University, HCMC National University), Christian Haddad (Excelia Group | La Rochelle Business School Excelia Business School), Hong Vo (International University, National University-HCMC)

Discussant: **Yen Ngoc Nguyen** (St. Francis Xavier University)

Macro Risk Premiums and Stock Returns: An Open Economy DSGE Approach

Authors: **Penglu Fu** (Renmin University of China), Zongxin Qian (Renmin University of China), You Wu (HeHe Asset Management)

Discussant: **Minxing Zhu** (University of Macau)

D2. Corporate Finance and Venture Capital | Dalat Room

Chair: Trang Doan, *Eastern Illinois University*

The Value of Openness

Authors: Joshua Della Vedova (University of San Diego), Stephan Siegel (University of Washington), **Mitchell Warachka** (Chapman University)

Discussant: **Peter Kien Pham** (University of Sydney)

Startup Press Releases

Authors: Huaizhou Li (University of New South Wales), Leo Liu (University of Technology Sydney), **Peter Kien Pham** (University of Sydney), Jason Zein (University of New South Wales)

Discussant: **Thach Nguyen** (University of Sheffield)

Post-fundraising Performance of Equity Crowdfunding Firms: The Role of Professional Investors

Authors: **Tan Do** (University of Otago)

Discussant: **My Nguyen** (RMIT University)

D3. Climate Finance and CSR

Saigon Room

Chair: Viet Anh Dang, *University of Manchester*

Do Carbon Emissions Matter for Corporate Optimal Leverage Decisions?

Authors: Tung Lam Dang (University of Economics, The University of Danang), Viet Anh Dang (University of Manchester), Duc Trung Do (Bangor University), **Trung K. Do** (University of Economics, The University of Danang)

Discussant: **Hiep Manh Nguyen** (Foreign Trade University)

Climate Stress Tests, Bank Lending, and the Transition to a Carbon-Neutral Economy

Authors: Klaus Schaeck (University of Bristol), Huyen Nguyen (IWH Halle and FSU Jena), Larissa Fuchs (University of Cologne), **Trang Nguyen** (University of Bristol)

Discussant: **Christian Steiner** (University of Bern)

Does Corporate Social Responsibility Drive or Impede Corporate Financial Performance in China?

Authors: **Weiou Wu** (London South Bank University), Haiping Li (Beijing Institute of Petrochemical Technology)

Discussant: **Thao (Tony) Nguyen** (Edith Cowan University)

14:30 - 15:00 **Break**

15:00 - 16:30 **Parallel Sessions (E)**

E1. Banking and Lending — Hanoi Room

Chair: Hieu Phan, *University of Massachusetts Lowell*

Benchmark Measures of Systematic Mortgage Risk for Capital Frameworks of Government-Sponsored Enterprises

Authors: **Chung Mai** (University of Technology Sydney and University of Economics, The University of Danang), Harald Scheule (University of Technology Sydney)

Discussant: **Xuan-Hoa Nghiem** (International School, Vietnam National University, Hanoi, Vietnam)

Regulating Zombie Mortgages

Authors: Huyen Nguyen (Halle Institute for Economic Research), Louis Nguyen (University of Durham), **Jonathan Lee** (University of Glasgow)

Discussant: **Chung Mai** (University of Technology Sydney and University of Economics, The University of Danang)

The Credit Rating Model for Online Lending Platform: A Case Study in The United States

Authors: Diep Ho (International University, Vietnam National University Ho Chi Minh City), Quoc Hai Pham (Ho Chi Minh City University of Economics and Finance), Hong Hai Mi Nguyen (International University, Vietnam National University Ho Chi Minh City), **Thien-Truc Do Le** (Saigon University)

Discussant: **Jinpeng Wang** (Guangzhou City University of Technology)

E2. Behavioral Factors — Dalat Room

Chair: Huu Nhan Duong (Monash University)

Consumer Sentiment Inequality and the Relative Performance of Firms

Authors: Husna Memon (Simon Fraser University), **Amir Rubin** (Simon Fraser University)

Discussant: **Nhut H. Nguyen** (Auckland University of Technology)

What Drives Strategic Default?

Authors: **Hiep Manh Nguyen** (Foreign Trade University), Jean-Christophe Statnik (University of Lille, France), Michael Troege (ESCP Business School, France)

Discussant: **Lan Thi Mai Nguyen** (VinUniversity Vietnam)

Bilateral Political Relations and Analyst Herding

Authors: **Lan Thi Mai Nguyen** (VinUniversity Vietnam)

Discussant: **Hong Vo** (International University, National University-HCMC)

E3. Politics and Executives

Saigon Room

Chair: Peter Kien Pham (University of Sydney)

Does Labor Market Flow Help or Hurt Firm Innovation? Evidence from OECD Countries

Authors: Douglas Cumming (Florida Atlantic University), Jin Lei (Brock University), My Nguyen (RMIT University), **Yen Ngoc Nguyen** (St. Francis Xavier University), Yan Wang (Brock University)

Discussant: **Abhijit Sharma** (University of Huddersfield)

Female Executives and Political Risk

Authors: **Trang Doan** (Eastern Illinois University), Manoj Kulchania (Wayne State University)

Discussant: **Trang Nguyen** (University of Bristol)

Executives' Legal Expertise and Capital Structure Dynamics

Authors: **Thao (Tony) Nguyen** (Edith Cowan University), Harvey Nguyen (Massey University), Mia Hang Pham (Massey University)

Discussant: **Tan Do** (University of Otago)

Abstracts of Conference Papers

A1. Stock Price Dynamics

Uncertainty Tone and Stock Price Informativeness

Authors: **Thach Nguyen** (University of Sheffield), Kai Yao (Southwestern University of Finance and Economics), Shiyan Yin (University of Nottingham), Thanaset Chevapatrakul (University of Nottingham)

This paper investigates the impact of the uncertainty tone in a firm's annual report on stock price informativeness. We show that firms with a higher proportion of uncertainty words in 10-Ks have lower stock idiosyncratic risk. Our results suggest that the uncertainty tone of a firm's financial disclosures results in information uncertainty that deteriorates its stock price informativeness. While the tone dispersion amplifies the relation between uncertainty tone and firm-specific risk, the use of causation and discrepancy words attenuates this effect. Furthermore, external oversight mechanisms including institutional holdings, audit quality and more frequent access to 10-Ks undermine the impact of uncertainty tone. Our findings highlight the influence that managers can exert on corporate transparency with the use of linguistic tone in financial reports.

Investor Attention and Price Crash Risk of Real Estate Stocks in Vietnam: Approaching at Firm Level

Authors: **Nhung Nguyen** (University of Economics and Business - VNU), Huy Bach Nguyen (University of Economics and Business - VNU), Thu San Nguyen (University of Economics and Business - VNU), Tran Hoang Son Nguyen (University of Economics and Business - VNU), Khanh Chi Nguyen (University of Economics and Business - VNU), Trong Duc Nguyen (University of Economics and Business - VNU)

This paper aims to investigate the impact of investor attention on stock price crash risk in case of 80 real estate stocks from Ho Chi Minh Stock Exchange and Ha Noi Stock Exchange from 2014 to the fourth quarter of 2023. Design/methodology/approach: Investor attention of each real estate company is measured by using Google search volume index (SVI) with three key words, including: Stock Ticker, Full Firm name and Brief Firm name or commonly known name. Then, multiple multivariate regression method was used to examine the impact of investor attention on stock price crash risk. Findings: The research gives evidence on no impact on stock price crash risk while macroeconomic conditions such as inflation or GDP growth rate and business profitability are the major factors that influence the price crash risk of real estate stocks in Vietnam. Research limitations/implications: This paper uses yearly panel data instead of time series data over the period from 2014 to 2022. Moreover, the number of observations is quite small. Practical implications: Measuring investor attention by the information investors have seeked about single real estate firms doesn't make sense. This means that Vietnamese investors are mainly interested in general real estate market's information about the industry, industry-related events or macro events instead of looking for the information about each business. Originality/value: This paper measures investor attention at firm level by using Google search volume index (SVI) with three key words, including: Stock Ticker, Full Firm name and Brief Firm name or commonly known name, instead of focusing on investor attention for the whole real estate industry or the national economy.

Option Market Liquidity and Stock Price Crash Risk

Authors: Min Deng (Newcastle University Business School, UK), **Minh Nguyen** (Newcastle University Business School, UK), Bartosz Gebka (Newcastle University Business School, UK)

We find that equity option liquidity increases stock price crash risk. This effect differs from the stock liquidity-crash risk causality documented elsewhere and remains robust to different measures of option liquidity and crash risk, alternative weighting schemes, option moneyness or is not influenced by endogeneity issues. The option liquidity-stock crash risk causality is also a unique phenomenon, is not a manifestation of higher crash risk in times of high volatility, and is a persistent feature of the US market not confined to the of financial crisis periods only. The positive impact of option liquidity on future crash risk is more apparent for firms with higher degrees of information asymmetry and for low levels of option investors sentiment. Our results support the transient investor theory which posits that managers hoard bad corporate news to avoid short-term negative market reactions, leading to accumulation of bad news and severe price crashes when they are revealed at once.

Comparable but Is It Informative? Accounting Information Comparability and Price Synchronicity

Authors: **Mingsheng Li** (Bowling Green State University), Desheng Liu (Qilu University of Technology (Shandong Academy of Sciences), Yiqing Wang (Qilu University of Technology (Shandong Academy of Sciences)

Increasing accounting information comparability (AIC) theoretically facilitates investors' analysis of firm performance and improves stock price informativeness by incorporating more firm-specific information. However, achieving the intended purpose is critically affected by firms' institutional environment and corporate governance. We propose that under weak legal systems and less developed market environments, emphasizing the AIC may adversely affect price informativeness due to managers' incentives and ability to obfuscate information and investors' â€œhalloâ€ effect. Using a large sample from China, we show that the AIC is positively related to price synchronicity, an inverse measure of price informativeness. Additionally, the positive impact is significantly greater for firms located in regions with weak legal systems and less developed market environments. The positive relation is also significantly greater when the business environment and economic policy uncertainties are high.

A2. ESG

When Attention is Away, Shareholders Misplay: Shareholder Distraction and Workplace Misconduct

Authors: **Harvey Nguyen** (Massey University), Tony Zhang (Massey University), Mia Pham (Massey University), Alexander Molchanov (Massey University)

We examine how shareholders' lack of attention, a scarce cognitive resource, impacts workplace behavior. Utilizing a large sample of over 46,000 establishment-year observations and a shareholder distraction measure derived from exogenous shocks, we find that distracted shareholders are associated with an increased occurrence of work-related injuries and illnesses. This effect is more pronounced among firms with weaker corporate governance levels and elevated competition risks. During periods of reduced monitoring by distracted shareholders, we observe a reduction in safety-related expenditures, an increase in employee workloads, and a rise in earnings management. In addition, distraction-induced injuries and illnesses result in a decline in firm value. Overall, this research provides further insights into the effects of shareholder distraction and suggests the necessity for alternative corporate monitoring mechanisms.

Regulatory Fragmentation and Corporate Social Responsibility

Authors: **Hong Vo** (International University, National University-HCMC), Steven Freund (University of Massachusetts Lowell), Hieu V. Phan (University of Massachusetts Lowell)

We show that corporate social responsibility (CSR) is negatively related to government regulatory fragmentation. The relation is stronger for firms with a higher degree of financial constraints and is mostly driven by a decrease in CSR strengths. CSR component analysis indicates that regulatory fragmentation negatively affects community, environment, diversity, and human rights but has little impact on product quality and employee relations. Overall, our evidence suggests that regulatory fragmentation reduces the benefits of CSR investment to firms, leading to their curtailing CSR activities.

Carbon Risk and Corporate Cash Holdings

Authors: **Hai Ly Ho** (University of Economics, The University of Danang)

This paper examines the impact of carbon risk on corporate cash holdings. Using a comprehensive sample of public firms from 53 countries worldwide from 2002 to 2019, we establish three main findings. First, we find that firms with high carbon risk reserve significantly less cash. Second, our results show that financial constraints and competition disadvantages are the mechanisms explaining the negative relationship between carbon risk and cash holdings. Third, our findings suggest that the negative relationship between carbon risk and cash holdings is stronger for firms operating in countries with superior institutional environments. Our findings are robust to alternative measures of cash holdings, additional control variables, alternative econometric methods, and after controlling for the endogeneity issue.

Biodiversity Risk and Firm Performance

Authors: **Khanh Hoang** (Lincoln University), Thang Ngoc Bach (National Economics University), Thanh Le (University of Wollongong)

Using a new measure of firm-level biodiversity risk generated from textual analysis of firms' 10-Ks, we find that biodiversity risk significantly hinders performance of firms in the United States during 2001-2021. On average, one percent increase in firm-level biodiversity risk leads to 0.59 percent decrease in firm performance. The finding holds well after controlling for various confounding factors, alternative variable measurements, model specifications, an instrumental variable approach, Heckman selection approach to account for self-selection bias, and entropy balancing. Other than decreasing sales growth and profitability, biodiversity risk also stimulates an increase in the cost of goods sold while does not significantly affect operation expenses. Interestingly, the effect is stronger for firms in biodiversity-sensitive industries, weaker for firms with more product innovation, and remains insignificant for firms with top-tier performance. Our study provides fresh empirical evidence of the significant impact of biodiversity risk at the firm- and industry-level.

B1. Funds

Bondholder Fragility Risk and Corporate Liquidity Policy

Authors: **Huu Nhan Duong** (Monash University), Yushui Shi (Monash University), George Baihan Wang (Monash University)

Corporate bonds are increasingly held by fragile bond mutual funds, which must honor investors' daily redemption rights by selling illiquid bond holdings. Bond-issuing firms actively manage exposure to bondholder fragility risk (BFR) by maintaining higher cash holdings. This finding is robust to identification tests exploiting variations in BFR from bondholders' investment mandates. BFR leading to higher bond financing costs is the main channel underlying the BFR-cash relation. Firms that are R&D intensive, exposed to bond rollover, and financially constrained respond more strongly to BFR. Overall, our results highlight BFR as a significant source of non-fundamental risk to corporate firms.

Ethical Funds and Return Manipulation

Authors: Tao Chen (Nanyang Technological University), Ben R. Marshall, **Nhut H. Nguyen** (Auckland University of Technology), Quan M.p. Nguyen (University of Sussex), Nuttawat Visaltanachoti (Massey University)

We study whether ethical funds focusing on ESG engage in less return manipulation. We show that portfolio pumping, which involves artificially inflating end-of-period portfolio returns, is less prevalent in ethical funds. Ethical fund flows are less sensitive to returns, so ethical fund managers have less pressure to engage in pumping following poor returns. The lower return manipulation of ethical funds is more prevalent when they receive more attention and when the political environment is more supportive of ethical investment. Manager characteristics also play a role. Portfolio pumping is lower for ethical funds when the managers include females and individuals with higher education.

Energy ETF Performances and Climate Risks

Authors: **Minh Nhat Nguyen** (University of Economics, The University of Danang), Ruipeng Liu (Deakin University), Youwei Li (Hull University Business School)

We investigate whether green (brown) portfolios constructed from clean energy ETFs (fossil fuel ETFs) yield positive (negative) returns conditional on climate-related risks. While the green portfolios do not unconditionally outperform the brown ones, the outperformance of green portfolios is statistically significant under the conditional setting using non-parametric estimates with imposing inequality restrictions. Our conditional studies also show that brown portfolios are riskier than green ones with various measurements. We present the heterogeneity in the effect of climate information on the return and risk of green and brown portfolios. Furthermore, we document that fund flows for green assets are higher than those for brown ones during periods of high climate risks. Our findings are robust to alternative specifications.

The Cost of Committing Environmental Sin: The Case of the NGPF-G Exclusions

Authors: Anup Chowdhury (Leeds Beckett University), **Isaac Otchere** (Carleton University), Muhammad Moshfique Uddin (University of Leeds)

We investigate whether and how exclusions by Norwegian Government Pension Fund Global (NGPF-G), a sovereign wealth funds affects the excluded firms' cost of equity capital and find that exclusions by NGPF-G are priced and are associated with a higher cost of equity compared to a matched sample of firms that are still in the portfolio of NGPF-G and from the same country as the excluded firm. Norm-based exclusions elicit a greater increase in cost of equity than sector-based exclusions. Also, the cost of capital effects are stronger for firms that were recently excluded from the NGPF-G portfolio than those excluded earlier. We identify Illiquidity as the main channel through which the exclusion affects firms' cost of equity capital. Excluded firms experience a significant decrease in institutional holdings, fewer institutional owners hold their shares, and fewer analysts cover them. All these lead to higher illiquidity, which affects the cost of equity capital. The excluded firms also experience a decrease in profitability and firm value (TQ) after the exclusion, and further analysis shows that the drop in firm value following the exclusion is caused in part by the increase in cost of equity, thus being dropped from the NGPF-G portfolio for environmental concerns bodes ill for the excluded firms.

B2. Special Session by the Deposit Insurance of Vietnam

KDIC's Initiatives to Improve the Financial Consumer Protection

Authors: **JaeHoon Yoo** (Chairman and President of Korea Deposit Insurance Corporation)

The deposit insurance scheme is playing an increasingly active role in protecting depositors in particular and financial consumers in general. Over the years, the deposit insurers' mandates have evolved globally, going beyond reimbursing depositors after bank failures to actively managing risks within banks, resolving failing institutions, and contributing to financial stability. The Korea Deposit Insurance Corporation (KDIC) journey reflects this shift. Since its establishment in 1996, KDIC has strived to improve the deposit insurance scheme in Korea, in order to cope well with financial crises and to align Korea's deposit insurance scheme with international standards (e.g. the Core Principles for Effective Deposit Insurance Systems). KDIC has successfully transformed itself from a small-sized 'Paybox' to a 'Risk-Minimizer', a type of deposit insurer with a broadest set of functions and responsibilities. Moreover, as an 'Integrated Protection Scheme', KDIC covers a broad range of financial products from six different financial sectors. Recently, KDIC announced 'KDIC 3.0' initiative to strengthen financial consumer protection in Korea. KDIC also provides technical assistances for supervisors, financial regulators and deposit insurers in other jurisdictions that wish to improve its own deposit insurance scheme.

B3. Financial Literacy

Does Financial Literacy Make Life Happier? The Causal Impacts of Financial Literacy on Life Satisfaction

Authors: **Duc Vo** (University of Western Australia)

Past research has investigated various determinants, especially financial factors, of life satisfaction, intending to propose valuable policy implications to enhance quality of life. However, the impact of financial literacy, a relatively new concept, on life satisfaction remains unexplored in the current studies. As such, we conduct this study to assess the causal impacts of financial literacy on life satisfaction to fill this research gap. Unlike previous studies, we examine life satisfaction today and in the future (five years from now). Using a unique dataset of 140 countries, our study shows that financial literacy is positively associated with life satisfaction. Moving beyond this association, we establish the causal impacts of financial literacy on life satisfaction by adopting five novel instrument-free approaches, including (i) Lewbel (2012), (ii) Gaussian copula, (iii) Oster (2019), (iv) Kiviet (2020) and (v) the impact threshold of a confounding variable (ITCV) to address endogeneity concerns. Our results indicate that financial literacy does have positive and causal impacts on life satisfaction today and five years from now. Interestingly, the effects of financial literacy on life satisfaction in five years from now are larger than on life satisfaction today.

Financial Advisory Influence on Risk Tolerance, Financial Literacy and Use Of Robo-Advisors

Authors: **Carlos Rosa** (FUCAPE Business School), Talles Brugni

The vast quantity and diversity of financial products' concepts, dynamics, and risks of financial products have made the relationship between investors and financial advisors closer. Risk tolerance and financial Literacy can make a difference in investment decisions, and new technologies like robo-advisors, can bring new perspectives to these decisions. Most research on this subject was applied in countries with a more mature financial market and with a specific retirement objective. On the other hand, this article aims to verify whether financial Advisory can influence the risk tolerance and financial Literacy of investors in the Brazilian market where the main objective is the acquisition of their own home, in addition to verifying the role of the robo-advisor in these relations. The findings reveal that financial Literacy increases risk tolerance; however, it is not possible to state that robo-advisor enhances the relationship between financial advisory and increased investors' risk tolerance.

C1. Asset Pricing

A Comparison of Factor Models in China

Authors: Jinzhe Wang (Central University of Finance and Economics), **Yifeng Zhu** (Central University of Finance and Economics)

We apply various test portfolios and alternative statistical methodologies to evaluate the performance of eleven prominent asset pricing models. To compile the test portfolios, we construct 105 anomalies in China and apply the 23 significant anomalies as test assets for model comparison. The results indicate that in the time-series test and anomalies explanation, the Hou et al. (2019) five-factor q model exhibits the best overall performance. The pairwise cross-sectional s and the multiple model comparison tests affirm that the Hou et al. (2019) five-factor q model, the Fama and French (2018) six-factor (FF6) model and the Kelly et al. (2019) five-factor Instrumented Principal Component Analysis (IPCA5) model stand out as the top performers. Notably, the performance of the five-factor q model is insensitive to variations in experimental design.

Is the Performance of Machine Learning in Asset Pricing Context-Dependent?

Authors: Yihe Qian (University of Macau and Guangzhou City University of Technology), **Jinpeng Wang** (Guangzhou City University of Technology)

This paper investigates the contextual dependence of five prevalent machine learning models (decision tree, random forest, gradient boosted regression trees, support vector machines and neural network) applied to the constituent stocks of the S&P 500, covering the period from 2000 to 2023, with a total of 38,093 observations. It reveals that Gradient Boosting and Random Forest generally perform best, although their effectiveness fluctuates with economic stability. The study also uncovers that these models are more effective in predicting returns for larger companies and that their effectiveness varies significantly across different industry sectors. A decrease in prediction accuracy for longer forecasting horizons is noted. Additionally, the study highlights the significant impact of macroeconomic factors, particularly Consumer Sentiment and Net Exports, which vary in influence over time. Notably, in practical application of portfolio construction, the result demonstrates that machine learning models, especially Gradient Boosting and Random Forest, consistently outperform the S&P 500 index. This research provides valuable insights into the varied effectiveness of machine learning models in asset pricing under different market conditions and underscores the importance of considering contexts like economic stability, company size, industry sector, and forecasting horizons in asset pricing strategies.

Dynamic Volatility Spillovers Among Gold, Oil, Cryptocurrencies and Stock Markets

Authors: **Anh Nguyen** (Foreign Trade University), Thi To Uyen Pham (Foreign Trade University), Thuy An Le (Foreign Trade University), Thi Ngan Anh Le (Foreign Trade University), Phuong Thao Tran (Foreign Trade University), Vu Hoang Oanh Nguyen (Foreign Trade University)

In this paper, we examine the volatility spillovers among cryptocurrencies, gold, crude oil, and stock markets (US, Japan, China and Vietnam) and investigates the usefulness of commodities and cryptocurrencies in hedging equity portfolios. Employing daily data from January 1st 2018 to December 31st 2023 and the spillover approach of Diebold-Yilmaz (2012), we report three key findings. First, volatility spillovers are identified, indicating the interconnectedness among different asset markets, especially in the COVID-19 pandemic and Russia-Ukraine conflict. Second, the developed markets (notably the US market) are the main volatility spillovers while emerging markets exhibit a comparatively lower impact on volatility spillovers.

Third, the spillovers from commodities and currencies transmitted to and received from other markets are generally quite low, suggesting their roles as risk diversifier assets. However, in the Covid pandemic and Russian and Ukraine war conflict, these assets act as volatility transmitters, compromising their status as safe haven assets. These results are robust to the choice of different estimation windows, forecast horizons and lag structures.

C2. International Banking and Finance

Does Technological Progress Help or Hurt Banks' Performance? Evidence from a Global Sample

Authors: **Xuan-Hoa Nghiem** (International School, Vietnam National University, Hanoi, Vietnam)

Together with the Industrial Revolution 4.0, Information and Communication Technology (ICT) plays an increasingly important role in modern economies. The effects of ICT are well-known far and wide, both at the macro- (economic growth, labor productivity) and micro-levels (firms' performance), at different sectors (banking-finance, electricity, manufacturing, etc...), at different scale (either a single country, a small or a large group of countries). However, a comprehensive study on the impact of ICT on banks' performance at country-aggregate levels and at regional and global scale is missing. This study aims to fill this gap in the literature. Results show that generally, the ICT has positive impact on banks' performance on the global sample but its effects are varied in sub-samples. Several implications and conclusions are drawn.

Religiosity and the Speed of Corporate Leverage Adjustment: International Evidence

Authors: Hai Ly Ho (University of Economics, The University of Danang), **Yue (Susanna) Lu** (RMIT University)

We examine the impact of religiosity on the speed of leverage adjustment (SOA) in a large international sample. We find that religiosity has a positive impact on SOA and this result remains valid after a series of robustness checks and the correction of endogeneity. We further examine the role of institutional environments in shaping the relation between religiosity and SOA. We find that religiosity plays a more important role in countries with weaker formal institutions, consistent with the view that informal social norms are a substitute of formal institutions. In the cross section, we show that the positive impact of religiosity on SOA comes predominantly from Protestantism and is more pronounced for firms with low visibility. Overall, we highlight the role of religiosity in shaping corporate capital structure decisions.

The Curious Case of Shackled Leviathan: State Capacity, Civil Liberty, and Bank Intermediation

Authors: Seyit Gokmen (Abdullah G¨ul University), **Arisyi Raz** (Universitas Indonesia)

We examine the effects of political stability and institutions on bank liquidity creation. Theory suggests that a strong state that is able to maintain the civil liberty of its populace, or a Shackled Leviathan, creates political stability that ultimately stimulates investment and economic activities. In turn, intensified economic activities increase demand for financial services and encourage banks to create liquidity in the economy. We empirically test this conjecture and find a strong effect of state capacity on liquidity creation when civil liberty is high. We conjecture that state capacity and civil liberty affect liquidity creation via political stability, as well as innovation and entrepreneurship channels. Our findings confirm the presence of both channels, thus offering novel insights into the significant effect of political stability and democracy on the banking sector.

C3. Information

Production Technology, Information Acquisition and Disclosure, and Asset Prices

Authors: **Minxing Zhu** (University of Macau)

We develop a model in which investors trade a long-lived asset whose dividend is contingent on a firm's production and show that a more efficient real economy can lead to a less efficient financial market. With a higher real production efficiency, measured by a larger output elasticity of capital, the sensitivity of the firm's revenue to its capital input decision increases. Investors who are uncertain about the firm's future decision thus perceive a higher risk of the asset's resale price and trade less aggressively. Consequently, the asset's price informativeness, trading volume, liquidity, and the investors' information extraction (the asset's risk premium, return volatility, and the investors' information production) decrease (increase). We also identify a new channel through which firms' information disclosure lowers financial price informativeness. Suggestive evidence of the negative relationship between production efficiency and market efficiency is provided.

Information Content of Dividend Changes, Information Asymmetry, and Shareholder Protection

Authors: **Loc Bui** (Susquehanna University)

In this paper, I propose and estimate the permanent components of earnings changes. With this measure, I extend Ham et al. (2020)'s evidence for the signaling content of dividend changes to an international setting and encompass up to five years following dividend announcements. However, different from their study, I also find significant incremental power of dividend changes in forecasting future permanent earnings after controlling for future realized earnings. More importantly, my results show that the association between dividend changes and permanent earnings changes gets stronger when the quality of shareholder protection is high or when the degree of information asymmetry is low. Given these results, I conclude that dividend signaling seems to be driven by agency costs rather than management's intention to address the information problem surrounding the firm.

Loan Renegotiation and Information Diffusion: The Role of Insider Trading

Authors: **Christian Steiner** (University of Bern), Philip Valta (University of Bern)

This paper analyzes the effects of insider trading around loan renegotiations on stock returns. Using a large sample of loan renegotiations for publicly traded US firms, the paper shows that stock returns are 1.35% higher (0.85% lower) following months with both non-routine insider purchases (sales) and loan amendments. This effect is stronger when the involved lenders have a higher reputation, and for firms without credit rating, closer to default, and with more illiquid stocks. The findings suggest that insider trades are an important channel through which lenders' private information about the financial health of borrowers diffuses to market participants.

D1. Macro Policies and Risk

Income and Displacement Effects of FDI: A comparison of Chinese, US and European FDI Outflows to Africa

Authors: **Abhijit Sharma** (University of Huddersfield), Aliyu Isah (University of Lincoln), Yilmaz Yildiz

(University of Kent Business School)

With China's rising participation in the economic arenas of most African nations, debates intensify on whether this participation benefits Africa and whether it poses a threat to the interests of other countries, such as the US and Europe. This study seeks answers to three important questions: (1) Is China's outward Foreign Direct Investment (OFDI) conducive for income growth in the five regions of African? (2) How does China's OFDI compare to that of the United States and Europe in promoting income growth in Africa? (3) Does China's investment boom pose a threat to the United States and European investments in Africa? Using a dataset which spans the period 2003--2019 including OFDI flows from China, the United States, the United Kingdom, Germany, and France to 33 host African countries, we find that, China's OFDI has a significant income effect on three regions of Africa (the western, eastern, and central regions), with no effect on the northern and southern regions. Moreover, UK, Germany, and France's OFDI enhance Africa's per-capita income growth more than China's OFDI, but the results are weak for the US OFDI. Finally, the results indicate that, while China is still strong competitor to Europe (i.e., UK, Germany, and France), it has significant displacement effect on US's investments in Africa at regional level. Therefore, although China's presence and participation in the economic arena of Africa has been on the increase, nonetheless, this participation poses no threat to the US and Europe's investments in Africa. The findings of this study have important implications to understanding the impact of China's investments on economic growth in Africa and its displacement effects on investments from US and Europe.

Economic Policy Uncertainty and Dividends: New Moderating Evidence from the Japanese Market

Authors: **Dat Quoc Trinh** (International University, HCMC National University), Christian Haddad (Excelia Group | La Rochelle Business School Excelia Business School), Hong Vo (International University, National University-HCMC)

This paper examines the relationship between dividend payout and economic policy uncertainty (EPU) in the distinctive setting of the Japanese market. Our findings suggest that higher EPU drives an increase in dividend payout. This evidence is robust to using alternative dividend payout measures, controlling for other sources of uncertainty, and addressing endogeneity. Furthermore, cross-sectional tests indicate that this association is particularly significant for firms with strong corporate governance practices. Additionally, our results reveal that firms' reliance on bank financing weakens the link between dividend payouts and EPU. Lastly, our research uncovers that firms with limited investment opportunities tend to increase their dividend payout during periods of heightened economic uncertainty. Overall, our paper contributes to the unsettled debate on dividend payout in Japan during times of elevated EPU and the factors that moderate this relationship.

Macro Risk Premiums and Stock Returns: An Open Economy DSGE Approach

Authors: **Penglu Fu** (Renmin University of China), Zongxin Qian (Renmin University of China), You Wu (HeHe Asset Management)

To investigate the relationship between models-based macroeconomic risk premiums and empirical asset pricing factors, we estimate internal and external macroeconomic shocks from a DSGE model widely used in macroeconomic analyses. The macroeconomic shocks are significantly priced. Premiums to model-based macro shocks largely explain fluctuations of factors in the stock pricing literature, including the momentum factor which is believed to come from irrationality. Moreover, premiums for both internal and external shock have significant explanatory power, suggesting that external economic linkages are nonnegligible. Our results provide fundamental support for risk-based explanations and indicate the consistency between theories of macroeconomy and asset pricing.

D2. Corporate Finance and Venture Capital

The Value of Openness

Authors: Joshua Della Vedova (University of San Diego), Stephan Siegel (University of Washington), **Mitchell Warachka** (Chapman University)

We propose that U.S. cities differ in the value creation by their local firms partly due to differences in city-level openness. As cities differ in their residents' interest in new ideas and new experiences, local firms differ in their ability to experiment with new products and services and therefore in their ability to create valuable growth opportunities. We measure openness as the likelihood that a city's radio stations play new music songs. We find that openness varies across U.S. cities and that it can be traced back more than a century. During our 2000 to 2019 sample period, more open cities have more new and successful ventures, a larger fraction of growth firms, and more highly valued firms. Consistent with the proposed mechanism, the valuation of firms is more strongly related to openness for younger than older firms, and young firms in open cities introduce significantly more new products than young firms in less open cities.

Startup Press Releases

Authors: Huaizhou Li (University of New South Wales), Leo Liu (University of Technology Sydney), **Peter Kien Pham** (University of Sydney), Jason Zein (University of New South Wales)

Despite the voluntary nature of public information disclosure in private markets, we find that startups actively seek to communicate with the public through the media. Exploring a novel dataset of startups' press releases, we establish a negative link between the frequency of press release issuance and both the likelihood of securing subsequent funding rounds and the valuation increases of these rounds. This relationship is consistent with a pooling equilibrium, whereby low-quality startups cannot be distinguished from those of higher quality but whose growth is potentially restricted by capital-constrained investors. Both types of startups issue public communications to compete for attention. We show that low-quality startups, however, are more inclined to resort to "spin".

Post-fundraising Performance of Equity Crowdfunding Firms: The Role of Professional Investors

Authors: **Tan Do** (University of Otago)

This study investigates the role of professional investors in the post-fundraising performance of equity crowdfunding (ECF) companies. Utilizing an augmented dataset of 861 ECF firms that successfully raised funds on Crowdcube and Seedrs between 2011 and 2020, we explore whether venture capitalist-backed (VC-backed) firms outperform business angel-backed (BA-backed) firms. We then determine how different forms of co-investments affect the ECF firm's long-term performance. Our analysis shows that VC-backed firms outperform BA-backed firms in terms of asset turnover (ATO) and sales revenue (Revenue). Nevertheless, we do not find evidence of the relationship between the presence of VCs or BAs and firm profitability. Moreover, firms backed by more than one BA or VC (syndicated firms) outperform those backed by BA(s) and VC(s) (BA&VC co-invested firms) in terms of Employee and Revenue; however, the former generates a lower ATO. Our study adds novel insights into the ECF and entrepreneurial literature regarding the differential effects of BAs, VCs, and co-investment structures on firm performance. Additionally, this study is relevant for ECF firms to decide whether professional investors are needed, and which types of professional investors are well-fitted.

D3. Climate Finance and CSR

Do Carbon Emissions Matter for Corporate Optimal Leverage Decisions?

Authors: Tung Lam Dang (University of Economics, The University of Danang), Viet Anh Dang (University of Manchester), Duc Trung Do (Bangor University), **Trung K. Do** (University of Economics, The University of Danang)

This paper investigates the effect of firms' carbon emissions on their adjustments toward optimal capital structures, using data from 32 countries for the period 2002â€“2019. We document strong evidence that firms' carbon emissions have a negative and significant impact on their speed of adjustments (SOA) toward target leverage. We further find that carbon emissions impede firms' dynamic leverage rebalancing via the financial distress risk and investor preference channels. The effect of emissions on SOA depends on the degree of public awareness of social and environmental issues and varies with institutional factors. We establish causality using a quasi-natural experiment based on the passage of carbon taxes.

Climate Stress Tests, Bank Lending, and the Transition to a Carbon-Neutral Economy

Authors: Klaus Schaeck (University of Bristol), Huyen Nguyen (IWH Halle and FSU Jena), Larissa Fuchs (University of Cologne), **Trang Nguyen** (University of Bristol)

Does banking supervision affect borrowers' transition to the carbon-neutral economy? We use a unique identification strategy that combines the French bank climate pilot exercise with borrowers' carbon emissions to present two novel findings. First, climate stress tests actively facilitate borrowers' transition to a low-carbon economy through a lending channel. Stress-tested banks increase loan volumes but simultaneously charge higher interest rates for brown borrowers. Second, additional lending is associated with some improvements in environmental performance. While borrowers commit more to reduce carbon emissions and are more likely to evaluate environmental effects of their projects, they neither reduce direct carbon emissions, nor terminate relationships with environmentally unfriendly suppliers. Our findings establish a causal link between bank climate stress tests and borrowers' reductions in transition risk.

Does Corporate Social Responsibility Drive or Impede Corporate Financial Performance in China?

Authors: **Weiou Wu** (London South Bank University), Haiping Li (Beijing Institute of Petrochemical Technology)

Previous literature demonstrates that corporate social responsibilities (CSR) have a mixed impact on a company's financial performance. By categorizing CSR into five dimensions and examining listed companies in Shanghai and Shenzhen from 2011 to 2021, our study explores these effects. Our findings indicate: (1) Fulfillment of social responsibilities towards shareholders positively impacts financial performance, aligning with the goal of maximizing shareholders' interests. (2) The dimension of CSR concerning employee interests negatively affects performance. This suggests that while additional resources are allocated, employee motivation does not increase correspondingly. Even with state-owned and heavily polluted enterprises - where advocacy for employee protection exists - the negative outcome persists, reflecting a lack of awareness of employee rights and insufficient measures to protect these interests. (3) Fulfilling CSR towards external stakeholders adversely affects corporate performance. This negative impact is more pronounced in heavy pollution industries. However, for state-owned enterprises, the reputation effect can mitigate this negative relationship. Thus, government legislation is necessary to advance this CSR dimension by leveraging the resource advantages of suppliers, companies, and consumers to counterbalance the costs of CSR. (4) Generally, CSR in the protection dimension results in a negative influence on corporate performance, which is more severe for heavy-polluting industries. Yet, for state-owned enterprises, robust governmental environmental policies can diminish - and potentially reverse - this negative influence. (5) Social donations generally have a negative impact on the performance of the total sample of companies. However, for state-owned and heavy-polluting industries, which are held to higher expectations of maintaining a good public image, social donations can enhance public perception, potentially translating into increased revenue and reduced public expenditure.

E1. Banking and Lending

Benchmark Measures of Systematic Mortgage Risk for Capital Frameworks of Government- Sponsored Enterprises

Authors: **Chung Mai** (University of Technology Sydney and University of Economics, The University of Danang), Harald Scheule (University of Technology Sydney)

This study guides the establishment of a risk-based capital framework for Government-Sponsored Enterprises (GSEs) required by the US Federal Housing Finance Agency by 2025. We propose a unified framework that measures observed and unobserved systematic risk using benchmark measures. We document heterogeneity in systematic risk levels for bank and nonbank lenders, recourse laws, and states. We analyze the level and cyclicality of the resulting capital requirements. The new framework, in conjunction with the most comprehensive model in terms of observed systematic risk factors, results in substantially lower capital requirements and procyclicality of capital estimates. The estimated capital level also captures the greater sensitivity of mortgage prices than the regulatory threshold. This paper estimates GSE capital charges at $131 billion aligned with industry expectations.

Regulating Zombie Mortgages

Authors: Huyen Nguyen (Halle Institute for Economic Research), Louis Nguyen (University of Durham), **Jonathan Lee** (University of Glasgow)

We evaluate how zombie property law aî€€ects mortgage supply, interest rates, and mortgage renegotiation between lenders and borrowers. Exploiting exogenous differences in zombie property law along several US state borders, we document that the law, by imposing a higher post-foreclosure cost on lenders, causes them to reduce mortgage acceptance rates, increase interest rates, and strategically keep delinquent loans alive. The effects are stronger among riskier mortgages. Our results indicate that by tying lenders' responsibility to the vacant properties in foreclosure, the law increases lenders' skin in the game and consequently affects mortgage lending outcomes and standards. Our findings shed new light on the debate on how to address the foreclosure crisis.

The Credit Rating Model for Online Lending Platform: A Case Study in The United States

Authors: Diep Ho (International University, Vietnam National University Ho Chi Minh City), Quoc Hai Pham (Ho Chi Minh City University of Economics and Finance), Hong Hai Mi Nguyen (International University, Vietnam National University Ho Chi Minh City), **Thien-Truc Do Le** (Saigon University)

The recent breakthrough of digitalization allows fintech and other businesses to use advanced technology to enhance and innovate their services and processes. This research ultimately provided a comprehensive of key metrics on personal creditworthiness by applying the advanced technique, Artificial Neural Network model (ANN). By utilizing Artificial Neural Network model, this research explored the feasibility and accuracy of the credit rating model with the customer historical information from Lending Club to predict the customers' loans repayment ability. To forward, the testing model optimized the number of Independent Variables to enhance comprehensibility, reliability, reserve the computing availability as well as simplify the managerial implications with only five predictors: interest rate (IR), duration of loan (T), debt-to-income ratio (DTI), loan amount (LA), and loan repayment (LR). The results reveal that the proposed model a has reliability of over 96% when the interest rate was considered the most important variable. Personal income was irrelevant to the performance of the model contrary to the previous studies. With the rationale analysis results, this research contributes to financial and banking services as well as other

related repayment activities with scientific rigor and an innovative model to screen and monitor loans application in the age of digitalization.

E2. Behavioral Factors

Consumer Sentiment Inequality and the Relative Performance of Firms

Authors: Husna Memon (Simon Fraser University), **Amir Rubin** (Simon Fraser University)

This study demonstrates that changes in sentiment inequality (SI), defined as the difference in consumer sentiment between high- and low-income groups, can predict the relative performance of high-end versus low-end product firms. We illustrate this with a case study of how variations in SI can predict the comparative performance of casual dining versus fast-food companies. More broadly, across the economy, we hypothesize and provide evidence that relatively more cyclical firms in the industry and across the economy, which tend to serve the high-income groups, outperform or underperform non-cyclical firms following SI increases or decreases, respectively. Furthermore, an increase in SI predicts an increase in the market return.

What Drives Strategic Default?

Authors: **Hiep Manh Nguyen** (Foreign Trade University), Jean-Christophe Statnik (University of Lille, France), Michael Troege (ESCP Business School, France)

We analyse data from a large survey of Vietnamese SMEs that allow us to distinguish between strategic and involuntary default. We show that only involuntary defaults, but not strategic defaults, are determined by variables related to the firm's financials. Instead, strategic default is related to variables that are likely proxies for ethical and behavioural factors. These results highlight the moral dimension of reimbursing a loan and contribute to the discussion on whether social norms are necessary for economic development.

Bilateral Political Relations and Analyst Herding

Authors: **Lan Thi Mai Nguyen** (VinUniversity Vietnam)

We establish a measure of assessing the bilateral political relations between the United States and other countries. We hypothesize that political events and shifts, evidenced by changes in bilateral political relations, significantly increase uncertainty in financial markets, prompting analysts to adopt herding behavior as a risk-averse strategy. In efforts to navigate bilateral political uncertainty, analysts align their forecasts with the consensus to reduce the risk of individual error. We find that deteriorating bilateral political relations cause analysts to exhibit herding in their earnings forecasts for foreign stocks listed in the US market, specifically in the form of American Depository Receipts (ADRs) from those countries. We show that uncertainty acts as the channel through which bilateral political relations influence analyst herding. Notably, analyst herding as triggered by poor bilateral political relations results in less accurate earnings forecasts. Overall, as analysts prioritize risk aversion in unpredictable political climates, there is a considerable reduction in the quality of their professional work.

E3. Politics and Executives

Does Labor Market Flow Help or Hurt Firm Innovation? Evidence from OECD Countries

Authors: Douglas Cumming (Florida Atlantic University), Jin Lei (Brock University), My Nguyen (RMIT University), **Yen Ngoc Nguyen** (St. Francis Xavier University), Yan Wang (Brock University)

This paper investigates the interplay between labor market flow and corporate innovation. Leveraging the comprehensive job-to-job transition metric developed by Donovan et al. (2023), we find a negative and significant relationship between labor market flow and innovation, which is robust across various model specifications and endogeneity tests. We also find evidence supporting the labor adjustment cost channel as the predominant mechanism over the knowledge spillover channel, affecting innovation through labor market flow. We further show that the effect of labor mobility varies depending on the type and direction of labor movement, as well as industry characteristics. Our paper contributes to the literature on labor market flow and corporate innovation and holds important implications for firms and policymakers.

Female Executives and Political Risk

Authors: **Trang Doan** (Eastern Illinois University), Manoj Kulchania (Wayne State University)

We utilize a firm-level political risk measure to investigate how female executives hired to lead US corporations deal with political risk. Using a sample of executive transitions, we find a causal link suggesting that political risk jumps after a female top-executive takes leadership of a firm., even though non-political risk or idiosyncratic risk does not significantly change. We find that the female executives disengage from the political process, by reducing lobbying; they also cut down hiring and investments actions that might improve firm's profits but also increase political risk. By taking more drastic action when the local political corruption environment allows her to do so, but moderating her withdrawal when the environment is prone to corruption, she exhibits sensitivity to potential backlash from the system and attention to the costs and benefits associated with this disengagement. We also find that the changes brought by the newly hired female executive improves productivity and increases firm's focus on socially responsible causes, without drawing undue attention from institutional shareholders or financial analysts.

Executives' Legal Expertise and Capital Structure Dynamics

Authors: **Thao (Tony) Nguyen** (Edith Cowan University), Harvey Nguyen (Massey University), Mia Hang Pham (Massey University)

This study investigates the roles of CEO's legal expertise in capital structure dynamics. We find that firms led by CEOs with legal backgrounds tend to align more rapidly with their target leverage compared to those led by non-lawyer CEOs. Companies led by lawyer CEOs exhibit a better information environment, lower agency costs, and enjoy better credit ratings, thereby reducing adjustment costs associated with realigning to the target leverage. The effect of lawyer CEOs on the speed of adjustment to capital structure is more pronounced for smaller and under-levered firms and firms operating under high competitive environments. Overall, the results suggest the significant role of managerial traits in shaping the overall trajectory of the organization.

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Thao (Tony)	Nguyen	D3	2-Jul-24
Lan Thi Mai	Nguyen	E2	2-Jul-24
Isaac	Otchere	A2	1-Jul-24
		B1	1-Jul-24
Peter Kien	Pham	D2	2-Jul-24
		D2	2-Jul-24
		E3	2-Jul-24
Binh Thi Thanh	Phan	B2	1-Jul-24
Hieu	Phan	B2	1-Jul-24
		E1	2-Jul-24
Arisyi	Raz	C2	2-Jul-24
		C2	2-Jul-24
Carlos	Rosa	B3	1-Jul-24
Amir	Rubin	A2	1-Jul-24
		E2	2-Jul-24
Abhijit	Sharma	D1	2-Jul-24
		E3	2-Jul-24
Christian	Steiner	C3	2-Jul-24
		D3	2-Jul-24
Dat Quoc	Trinh	C2	2-Jul-24
		D1	2-Jul-24
Duc	Vo	A2	1-Jul-24
		B3	1-Jul-24
		D1	2-Jul-24
Hong	Vo	A2	1-Jul-24
		E2	2-Jul-24
Jinpeng	Wang	C1	2-Jul-24
		E1	2-Jul-24
Mitchell	Warachka	C3	2-Jul-24
		D2	2-Jul-24
Weiou	Wu	A2	1-Jul-24
		D3	2-Jul-24

JaeHoon	Yoo	B2	1-Jul-24
Yifeng	Zhu	C1	2-Jul-24
Minxing	Zhu	C3	2-Jul-24
		D1	2-Jul-24

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International University (IU) – a university member of Vietnam National University Ho Chi Minh City, was established in 2003, is the first multidisciplinary public university in Vietnam to use English as the primary language in teaching and research, to become one of the leading research universities in Vietnam and Asia, in the long run. The focus has been on offering academic majors that are aligned with the growing demand for human resources in such fields as economics, management, science, and technology. IU's overall model adheres to the international standards with several top universities in the United States, Europe, and Asia. Among 7.000 universities in Southeast Asia, IU is one of the 07 universities being accredited, at the institutional level, by the ASEAN University Network Quality Assurance (AUN-QA). The school is also fully accredited by the Vietnam Ministry of Education and Training in 2016 and ASIIN in 2023.

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The branch is located at 664 Su Van Hanh Street, Ward 12, District 10, Ho Chi Minh City, in the center of District 10, adjacent to Districts 3, 5, 11, and Tan Binh. After more than 20 years of establishment and development, as of June 30, 2024, the branch has 07 departments at the head office and 04 affiliated transaction offices; the total number of employees is 182 people. The total profit scale of the branch is over VND 32,000 billion.

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