Belgian Financial Research Forum 2014
Tuesday May 27, 2014

Louvain School of Management - UCLouvain
Place des Doyens 1 (LSM building)
1348 Louvain-la-Neuve

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<td>8:30 - 9:25</td>
<td>Registration + Coffee</td>
<td>Lounge Vaes</td>
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<td>9:25 - 9:30</td>
<td>Welcome by the organizers</td>
<td>Lounge Vaes</td>
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<td>9:30 - 11:00</td>
<td>Sessions 1A, 1B, 1C, 1D</td>
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<td>11:00 - 11:30</td>
<td>Coffee Break</td>
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<td>11:30 - 12:30</td>
<td>Keynote Lecture</td>
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<td>12:30 - 14:00</td>
<td>Lunch</td>
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<td>14:00 - 15:30</td>
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<td>15:30 - 16:00</td>
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<td>16:00 - 17:30</td>
<td>Sessions 3A, 3B, 3C</td>
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"Corporate Finance and Corporate Governance"
by Bart Lambrecht (Cambridge Judge Business School)

Abstract: This talk presents a dynamic agency model of a mature public corporation in which managers set the firm's investment, borrowing and payout decisions and operate in perfect financial markets. Risk-averse managers implement an inter-temporal strategy that maximizes their lifetime utility of managerial rents subject to a governance constraint (i.e. a threat of collective action by outside equityholders). Managers under-invest and smooth payout and rents. If managers’ utility function is subject to habit formation, total payout (dividends plus net repurchases) follows Lintner's (1956) target adjustment model. Payout smooths out transitory shocks to current income and adjusts gradually to changes in permanent income. Debt is the shock-absorber for operating income and investment. Managers do not rebalance capital structure, so shocks to debt levels persist. Managers implement precautionary savings by paying down debt, even when interest is tax-deductible. We generate empirical predictions that differ from conventional agency models and from dynamic models based on financing frictions.
9:00 - 11:00  Sessions 1A, 1B, 1C, 1D

**Session 1A  Banking**
Session Chair: Hans Degryse (KU Leuven)

**A liquidity premium for time-inconsistent depositors?**
Carolina Laureti (UMons)
Discussant: Mikel Bedayo (UCLouvain)

**Bank cash holdings and investor uncertainty**
Benoit d’Udekem (ULB)
Discussant: Issam Hallak (Vlerick Business School)

**When arm’s length is too far. Relationship banking over the business cycle**
Hans Degryse (KU Leuven)
Discussant: Klaas Mulier (Ghent U)

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**Session 1B  Asset Pricing**
Session Chair: Hugues Pirotte (ULB)

**Unveiling sovereign effects in European banks CDS spreads variations**
Marc Peters (ULB)
Discussant: Marc De Ceuster (U of Antwerp)

**The determinants of CDS bid-ask spreads**
Marcin Wojtowicz (VU University Amsterdam)
Discussant: Paolo Mazza (UCLouvain)

**Good luck, bad luck. Can mutual funds really pick stocks?**
Stefaan Pauwels (Ghent U)
Discussant: Marie Lambert (ULg)

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**Session 1C  Corporate Finance**
Session Chair: Marc Deloof (U of Antwerp)

**Organization capital and mergers and acquisitions**
Buhui Qiu (RSM Erasmus U)
Discussant: Marion Dupire-Declerck (Vlerick Business School)

**Persistence in financing policies: New evidence from entrepreneurial firms**
Jürgen Hanssens (Ghent U)
Discussant: Armin Schwienbacher (Univ. Lille Nord de France - SKEMA)

**The mystery of capital structure stability: Evidence from twenty European countries**
Balbinder Singh Gill (Ghent U)
Discussant: Buhui Qiu (RSM Erasmus U)
Financial crises, crisis spillovers and the business cycle  
Stefan Straetmans (Maastricht U)  
Discussant: Lieven Baele (Tilburg U)

Sovereign debt default and global banking in a currency union  
Erica Perego (University of Luxembourg)  
Discussant: Gregory de Walque (National Bank of Belgium)

Macroeconomic-policy interactions and the cost of fiscal stimulus  
Olivier Hubert (UNamur)  
Discussant: Alain Durré (IESEG School of Management & European Central Bank)
14:00 - 15:30  | Sessions 2A, 2B, 2C, 2D

**Session 2A**  | Private Equity and Venture Capital  | Salle Vaes
Session Chair: Armin Schwienbacher (Univ. Lille Nord de France - SKEMA)

*Agency problems and internal syndication of venture capital investments*
Maia Gejadze (UCLouvain)
Discussant: Jürgen Hanssens (Ghent U)

*Union of three partners: Multiple-agency, power-dependence relations and the costs of LBO financing*
Anantha Krishna Divakaruni (Vlerick Business School)
Discussant: Nancy Huyghebaert (KU Leuven)

*Voluntary disclosure of corporate venture capital investments*
Armin Schwienbacher (Univ. Lille Nord de France - SKEMA)
Discussant: Anantha Krishna Divakaruni (Vlerick Business School)

**Session 2B**  | Banking  | LECL 60
Session Chair: Lieven Baele (Tilburg U)

*Ambiguity vs risk aversion, participation, and interbank market stress*
Reina Renard (KU Leuven)
Discussant: Jérémie Lefebvre (IESEG School of Management)

*Risk-sharing vs. risk spreading in financial networks: An empirical investigation*
Donald Zountchémé (UCLouvain)
Discussant: Hugues Pirotte (ULB)

*A network analysis of firms’ credit markets*
Mikel Bedayo (UCLouvain)
Discussant: Hans Degryse (KU Leuven)

**Session 2C**  | Microstructure  | LECL 61
Session Chair: Carole Gresse (Université Paris-Dauphine)

*Two shades of dark: Hidden order vs dark trading*
Geoffrey Tombeur (KU Leuven)
Discussant: Carole Gresse (Université Paris-Dauphine)

*High Frequency Trading and Market Stability*
Thibaut Moyaert (UCLouvain)
Discussant: Bruno De Backer (National Bank of Belgium)

*Beyond the disposition effect: Evidence from the 1999-2012 period*
Anthony Bellofatto (UCLouvain)
Discussant: Gunther Wuyts (KU Leuven)

BFRF 2014
Louvain School of Management
Cracks in the crystal ball: What happens to firms’ foreign exchange rate exposure when forecasters don’t agree about the future
Julien Poncelet (ULg)
Discussant: Mikael Petitjean (UCLouvain)

Liquidity patterns on the US corporate bond market
Stephanie Heck (ULg)
Discussant: Jan Annaert (U of Antwerp)

Do Health Care Systems shape household portfolio choice?
Ljubica Djordjevic (Tilburg U)
Discussant: Marc Deloof (U of Antwerp)
16:00 - 17:30  |  Sessions 3A, 3B, 3C  

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**Dynamic style allocation of characteristic-based equity portfolios**

Marjan Wauters (KU Leuven)  
**Discussant:** Anouk Claes (Saint-Louis U - Brussels)

**The puzzle of high liquidity beta and low returns**

Xing Han (Ghent U)  
**Discussant:** Benoit Detollenaere (UCLouvain)

**A simple and performing flexible portfolio strategy**

Jürgen Vandenbroucke (U of Antwerp)  
**Discussant:** Kevin Lampaert (Ghent U)

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**A long-term analysis of dividend policy: Evidence from the Netherlands, 1903-2003**

Philip Fliers (RSM Erasmus U)  
**Discussant:** Kim Oosterlinck (ULB)

**Risk aversion during World War II: Evidence from Belgian lottery bond prices**

Matthieu Gilson (ULB)  
**Discussant:** Koen Inghelbrecht (Ghent U)

**The political economy of financial systems: Evidence from suffrage reforms in the last two centuries**

Thomas Lambert (UCLouvain & Univ. Lille Nord de France - SKEMA)  
**Discussant:** Philip Fliers (RSM Erasmus U)

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**Stress testing profitability in the US banking sector: A dynamic factor model approach**

Franco Stragiotti (Banque Centrale du Luxembourg & UCLouvain)  
**Discussant:** Marc Peters (ULB)

**Testing causality in financial time series: A comparison between Granger and information theoretical based approaches**

Carl-Henrik Dahlqvist (UNamur)  
**Discussant:** Christian Hafner (UCLouvain)

**The interaction between credit risk and interest rate risk for retail credit: A panel VAR study**

Kurt Verstegen (U of Antwerp)  
**Discussant:** Sophie Béreau (UCLouvain)