

Hanken School of Economics

# IMPROVING FINANCIAL INSTITUTIONS: THE PROPER BALANCE BETWEEN REGULATION AND GOVERNANCE

Helsinki, April 19, 2012



## THE CONFERENCE PROGRAM

The economic crisis that started worldwide in 2008 and has impacted the world economy ever since has posed challenging issues to researchers and practitioners: How should the markets and financial institutions be regulated and governed? Do financial institutions need more strict regulation? Should regulation of financial institutions be unified worldwide? What framework of financial market regulation would be the most efficient in reducing systemic risks? Does corporate governance have potential to significantly contribute to safeguarding against systemic risks? Which corporate governance standards effectively improve financial institutions in this respect? Consequently, a search for a proper compromise between regulation and governance is one of the most important tasks for regulators and bank owners. All these issues, and related ones, will be covered during the conference.

Conference venue: Hanasaari - the Swedish-Finnish Cultural Centre, Hanasaarenranta 5, ESPOO



CONGRESS  
HALL ALEKSIS



**8:45 – 9:15**      **REGISTRATION**

**9:15 – 9:20**      **WELCOME and OPENING REMARKS**

*Tom Berglund*, Professor, Hanken School of Economics (Finland)

*Alexander Kostyuk*, Professor, the Ukrainian Academy of Banking of the National Bank of Ukraine (Ukraine), Hanken School of Economics (Finland), Editor-in-Chief of "Corporate Ownership and Control" and "Journal of Governance and Regulation"

**9:20 – 11:30**      **PLENARY: Keynote speeches**

*Bengt Holmström*, Paul A. Samuelson Professor of Economics, M.I.T, the USA

*Renee Adams*, Professor of Finance, UQ Business School, the University of Queensland, Australia

*Clas Wihlborg*, Professor, Chapman University, the USA

**11:30 – 12:30 Lunch**

**12:30 – 13:30 PLENARY: Key papers**

***A NEW PARADIGM FOR INTERNATIONAL FINANCIAL REGULATION: TOWARDS A HELSINKI CONSENSUS?***

*Eric Pichet, Bordeaux School of Management, France*

***CORPORATE GOVERNANCE AND PERFORMANCE OF EUROPEAN COMMERCIAL BANKS***

*Anna Kryvko, Otto-von-Guericke University Magdeburg, Germany  
Peter Reichling, Otto-von-Guericke University Magdeburg, Germany*

***BOARD COMMITTEES IN NORDIC CORPORATE GOVERNANCE – A ROAD TO INCREASED BOARD EFFICIENCY OR DILUTED ACCOUNTABILITY?***

*Per Lekvall, Founding partner, Boardroom Consulting AB, member of the Swedish Corporate Governance Board, Sweden*

**13:30 – 13:45 Afternoon coffee time**

**13:45 – 15:50 PARALLEL SESSIONS**

**Parallel session 1: CORPORATE GOVERNANCE IN FINANCIAL COMPANIES**

**Session chair:** *Rémi Jardat, Professor, ISTECH, Paris, France*

***THE USE OF KEY RISK INDICATORS BY BANKS AS AN OPERATIONAL RISK MANAGEMENT TOOL: A SOUTH AFRICAN PERSPECTIVE***

*Jacobus Young, University of South Africa, South Africa*

***WHAT DOES THE MARKET SAY ABOUT SAY-ON-PAY? A LOOK AT THE CANADIAN BANK EXPERIENCE***

*Kim Trottier, Simon Fraser University, Canada*

***REMUNERATION DISPERSION AND FIRM PERFORMANCE: THE CASE OF BRITISH BOARDS***

*Ania Zalewska, School of Management, University of Bath, United Kingdom*

***CORPORATE GOVERNANCE IN THE MIDDLE EAST - ANOTHER ARABIC SPRING? FOCUS ON THE FINANCIAL SECTOR***

*Udo C. Braendle, Jubail University, Saudi Arabia  
Yaroslav Mozghoviy, Ukrainian Academy of Banking, Ukraine*

***THE RELATION BETWEEN EXECUTIVE TIME HORIZON AND EXECUTIVE COMPENSATION***

*Terhi Chakhovich, Turku School of Economics, Finland  
Seppo Ikäheimo, Aalto University School of Economics, Finland  
Tomi Seppälä, Aalto University School of Economics, Finland*

**Parallel session 2: FINANCIAL REGULATION**

**Session chair:** *Donato Masciandaro, Professor, Bocconi University, Milan, Italy*

***GETTING THE RIGHT BALANCE BETWEEN REGULATION AND GOVERNANCE IN THE NON-BANK FINANCIAL SECTOR***

*David G Mayes, BNZ Professor of Finance, Director NZ Governance Centre, Auckland University, New Zealand*

**DOES THE INTENSITY OF PRUDENTIAL REGULATION AFFECT BANKS? EVIDENCE FROM THE 2007-2009 CRISES**

Isabel Argimon, Banco de España, Financial Stability Department, Spain  
Gerard Arqué Castells, Banco de España, Financial Stability Department, Spain  
Francesc Rodríguez Tous, Banco de España, Financial Stability Department, Spain

**PONZI SCHEMES. CAN BETTER FINANCIAL REGULATION PREVENT INVESTORS FROM BEING RIPPED OFF?**

Mervyn K. Lewis, University of South Australia, Australia

**THE IMPACT OF AUDITOR AND AUDIT FIRM ROTATION ON ACCOUNTING AND AUDIT QUALITY. A CRITICAL ANALYSIS OF THE EC REGULATION DRAFT**

Patrick Velte, University of Hamburg, Germany  
Markus Stiglbauer, University of Erlangen-Nürnberg, Germany

**CONTINGENT CONVERTIBLE BONDS, CAPITAL STRUCTURE DECISIONS AND REFORM OF PRUDENTIAL BANK REGULATION**

Boris Albul, Haas School of Business, University of California at Berkeley, the USA  
Dwight M. Jaffee, Haas School of Business, University of California at Berkeley, the USA  
Alexei Tchisty, Haas School of Business, University of California at Berkeley, the USA

15:50 – 16:10 Afternoon tea time

16:10 – 18:15 PARALLEL SESSIONS

**Parallel session 1: CORPORATE GOVERNANCE IN FINANCIAL COMPANIES**

**IMPACT OF MERGERS ON THE DEGREE OF COMPETITION: APPLICATION TO THE BANKING INDUSTRY**

Vittoria Cerasi, Bicocca University, Italy  
Barbara Chizzolini, Bocconi University, Italy  
Marc Ivaldi, Toulouse School of Economics, University of Toulouse, France

**EQUITY AND DEBT GOVERNANCE: THE IMPACT ON BANK RISK**

Daniel Foos, Deutsche Bundesbank, Germany

**SUPERVISORY BOARDS AND THEIR NEW ROLE AS A STRATEGIC BUSINESS COACH: OPENING THE GERMAN BLACK BOX OF UPPER ECHELONS**

Marc Eulerich, University of Duisburg-Essen, Germany  
Markus Stiglbauer, University of Erlangen-Nürnberg, Germany

**IQ AND MUTUAL FUND CHOICE**

Mark Grinblatt, UCLA Anderson School of Management, the USA  
Seppo Ikäheimo, Aalto University, Finland  
Matti Keloharju, Aalto University and CEPR, Finland  
Samuli Knüpfer, London Business School, United Kingdom

**SHAREHOLDER PROPOSAL RULES AND PRACTICE: EVIDENCE FROM A COMPARISON OF THE US AND UK**

Bonnie G. Buchanan, Seattle University, the USA  
Jeffrey M. Netter, University of Georgia, the USA  
Annette B. Poulsen, University of Georgia, the USA  
Tina Yang, Villanova University, the USA

## Parallel session 2: FINANCIAL REGULATION

### ***NORMS AND INTERNATIONAL STANDARDS RELATED TO REDUCE RISK MANAGEMENT: A LITERATURE REVIEW***

*Edmundo R Lizarzaburu, University Esan, Peru*  
*Cesar Fuentes, University Esan, Peru*  
*Edgar Vivanco, University Esan, Peru*

### ***GLOBAL FINANCIAL CRISIS AND BANKING SECTORS OF FOUR CENTRAL AND EAST EUROPEAN STATES AND THREE BALTIC STATES***

*Eva Banincova, Kobe University, Japan*

### ***CROSS BORDER SHAREHOLDING IN EU: IS "INDIRECT SECURITIES HOLDING" APPROACH APPROPRIATE IN ACHIEVING EU FINANCIAL INTEGRATION?***

*Georgios P. Kouretas, Athens University of Economics and Business, Greece*  
*Christina Tarnanidou, Athens University of Economics and Business, Greece*

### ***WHY DO BANKS SECURITIZE THEIR ASSETS? BANK-LEVEL EVIDENCE FROM OVER ONE HUNDRED COUNTRIES***

*Alberto Franco Pozzolo, Università degli Studi del Molise, Italy*  
*Fabio Panetta, Bank of Italy, Italy*

### ***CAN ACCOUNTING RULES BE MADE NEUTRAL FOR BANK CAPITAL REGULATION?***

*Guoxiang Song, University of Greenwich, United Kingdom*

**18:15 – 20:00** Conference dinner

## Conference comments

We appreciate your comments on the conference. Comments should be addressed both to:  
Tom Berglund, [berglund@hanken.fi](mailto:berglund@hanken.fi) and  
Alexander Kostyuk, [alex\\_kostyuk@virtusinterpress.org](mailto:alex_kostyuk@virtusinterpress.org)

## Conference organizers and sponsors



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