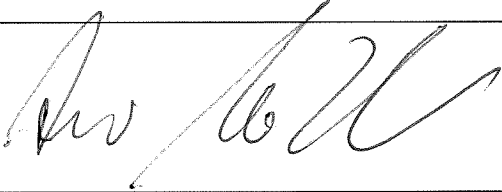




CERF Mid-Term Award Form

1. Personal Details

Name and Address Please include, name address, position and contact email	Amir Amel-Zadeh University Lecturer in Finance Judge Business School Trumpington Street, Cambridge CB2 1AG
Signature (to confirm submission of this form)	
Date	04/04/14

2. Research Update

Research Title and Abstract Please tell us your CERF Funded Research Title and Abstract	Earnings Management and Bank Capital In this project we plan to explore a hitherto neglected potential explanation why banks held large quantities of mortgage-backed securities: We hypothesize that banks had earnings management incentives to invest in mortgage-backed securities. By securitizing assets and investing in mortgage-backed securities banks were allowed to book short term market value gains in a rising market and hence able to manage earnings in order to cater to investors fixated on earnings-per-share growth. The role of mark-to-market
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	accounting and asset sales has been emphasized as a problem for restructuring loan portfolios and recapitalizing banks, but there is less investigation of this channel in creating balance sheet problems in the first place.
<p>Milestones to date</p> <p>Please tell us if there are any significant developments in your research (publication of a paper, seminar or conference presentations, creation of or participation in working groups etc., Please itemise each impact.</p>	Preliminary results for the first stage of the project are completed and promising. We are currently checking robustness of these results before beginning with the empirical investigation for the second stage.

3. Weblinks to your work

We would like to provide CERF Managers with links to the research output of CERF Funded Projects. Please can you indicate (where possible) links to your outputs, (aside from publications please also include seminars and other academic activities). Please note these links will be used on the CERF website.

The project is still at a very early stage. No output to report to date.



4. Additional information

Is there any other information you would like to share with us about your work to date?

So far no funds have been used	
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Please return completed form to The Administrator, admin@cerf.cam.ac.uk

