

# Pascal FRANÇOIS

Professor of Finance

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## **PERSONAL DATA**

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Born in Toulouse on July 5, 1971. French and Canadian citizen. Married, two children.

## **FACULTY POSITIONS**

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Since 2013 Full Professor at HEC Montréal.

2004–2013 Associate Professor at HEC Montréal.

2000–2004 Assistant Professor at HEC Montréal.

1998–2000 Assistant Professor at EDHEC.

## **ACADEMIC AND PROFESSIONAL APPOINTMENTS**

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Since 2023 Member of the editorial board of *Finance* (the academic journal of the French Finance Association).

2012–2022 Co-editor of *Finance*.

2011–2020 Director of the Canadian Derivatives Institute.

2016–2020 Member of PRMIA Montréal Steering Committee.

## **VISITING POSITIONS**

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Fall 2017 CIRANO (Montréal).

May 2009 University of Rennes – IGR (France).

2006–2007 University of Liège (Belgium).

May 2004 University of Rennes – IGR (France).

## **EDUCATION**

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1999 Ph.D. in Finance, Sorbonne University and ESSEC Business School  
"Applications of Option Theory to the Analysis of Debt Contracts"  
Committee: Bernard Dumas, Monique Jeanblanc, Patrick Navatte, Patrice Poncet (advisor), Roland Portait, and Philippe Raimbourg.

1994 MA in Financial Markets and Banking, Sorbonne University (Honours).

1993 BA in Business (major Finance), ESSEC Business School.

### Publications in refereed journals

- 26• Pascal François and Franck Moraux, The Mean-variance (in)Efficiency of Duration-based Immunization, 2024, *International Review of Finance*, forthcoming.
- 25• Pascal François and Hassan Naqvi, Secured and Unsecured Debt in Creditor-friendly Bankruptcy, 2023, *Journal of Corporate Finance* 80, 102413.
- 24• Pascal François, Stephanie Heck, Georges Hübner and Thomas Lejeune, 2022, Comoment Risk in Corporate Bond Yields and Returns, *Journal of Financial Research* 45, 471-512.
- 23• Pascal François, Rémi Galarneau-Vincent, Geneviève Gauthier and Frédéric Godin, 2022, Venturing into Uncharted Territory: An Extensible Implied Volatility Surface Model, *Journal of Futures Markets* 42, 1912-1940.
- 22• Amira Annabi, Michèle Breton and Pascal François, 2021, Could Chapter 11 Redeem Itself? Wealth and Welfare Effects of the Redemption Option, *International Review of Law and Economics* 67, 106005.  
- Featured on the Oxford Business Law Blog (January 2019).
- 21• Pascal François and Lars Stentoft, 2021, Smile-implied Hedging with Volatility Risk, *Journal of Futures Markets* 41, 1220-1240.
- 20• Pascal François and Weiyu Jiang, 2019, Credit Value Adjustment with Market-implied Recovery, *Journal of Financial Services Research* 56, 145-166.
- 19• Pascal François, 2019, The Determinants of Market-implied Recovery Rates, *Risks* 7, 57.  
- Reprinted in *Advances in Credit Risk Modeling and Management*, edited by Frédéric Vrms, MDPI, 2020.
- 18• Pascal François and Alon Raviv, 2017, Heterogeneous Beliefs and the Choice between Private Restructuring and Formal Bankruptcy, *North American Journal of Economics and Finance* 41, 156-167.
- 17• Pascal François and Sophie Pardo, 2015, Prepayment Risk on Callable Bonds: Theory and Test, *Decisions in Economics and Finance* 38, 147-176.
- 16• Olfa Maalaoui Chun, Georges Dionne and Pascal François, 2014, Detecting Regime Shifts in Credit Spreads, *Journal of Financial and Quantitative Analysis* 49, 1339-1364.
- 15• Olfa Maalaoui Chun, Georges Dionne and Pascal François, 2014, Credit Spread Changes within Switching Regimes, *Journal of Banking and Finance* 49, 41-55.
- 14• Pascal François, Geneviève Gauthier and Frédéric Godin, 2014, Optimal Hedging when the Underlying Asset Follows a Regime-Switching Markov Process, *European Journal of Operational Research* 237, 312-322.

- 13• Christian Dorion, Pascal François, Gunnar Grass and Alexandre Jeanneret, 2014, Convertible Debt and Shareholder Incentives, *Journal of Corporate Finance* 24, 38-56.  
 - Reprinted in *Contingent Claims Analysis in Corporate Finance* vol. 3, edited by M. Crouhy, D. Galai and Z. Wiener, World Scientific, 2019.
- 12• Romain Cuchet, Pascal François and Georges Hübner, 2013, Currency Total Return Swaps: Valuation and Risk Factor Analysis, *Quantitative Finance* 13, 1135-1148.
- 11• Amira Annabi, Michèle Breton and Pascal François, 2012, Resolution of Financial Distress under Chapter 11, *Journal of Economic Dynamics & Control* 36, 1867-1887.
- 10• Amira Annabi, Michèle Breton and Pascal François, 2012, Game Theoretic Analysis of Renegotiations under Bankruptcy, *European Journal of Operational Research* 221, 603-613.
- 9• Pascal François, Georges Hübner and Jean-Roch Sibille, 2011, A Structural Balance Sheet Model of Sovereign Credit Risk, *Finance* 32, 137-165.
- 8• Pascal François, Georges Hübner and Nicolas Papageorgiou, 2011, Strategic Analysis of Risk-Shifting Incentives with Convertible Debt, *Quarterly Journal of Finance* 1, 293-321.
- 7• Pascal François and Erwan Morellec, 2008, Closed-Form Solutions to Stochastic Process Switching Problems, *Journal of Mathematical Economics* 44, 1072-1083.
- 6• Pascal François and Franck Missonier-Piera, 2007, The Agency Structure of Loan Syndicates, *The Financial Review* 42, 227-245.
- 5• Pascal François, 2006, Tax Loss Carry-Forwards and Optimal Leverage, *Applied Financial Economics* 16, 1075-1083.
- 4• Hatem Ben Ameer, Michèle Breton and Pascal François, 2006, A Dynamic Programming Approach to Price Installment Options, *European Journal of Operational Research* 169, 667-676.
- 3• Pascal François and Erwan Morellec, 2004, Capital Structure and Asset Prices: Some Effects of Bankruptcy Procedures, *Journal of Business* 77, 387-411.  
 - Reprinted in *Contingent Claims Analysis in Corporate Finance* vol. 2, edited by M. Crouhy, D. Galai and Z. Wiener, World Scientific, 2019.
- 2• Pascal François and Georges Hübner, 2004, Credit Derivatives with Multiple Debt Issues, *Journal of Banking and Finance* 28, 997-1021.
- 1• Pascal François, 1996, Contrat de Dette et Formes Optionnelles de l'Action, *Finance* 17, 71-103.

## **Book chapters**

- Martin Boyer, Michèle Breton and Pascal François, 2020, Designing Insurance against Extreme Weather Risk: The Case of HuRLOs, in Thomas Walker, Dieter Gramlich,

Mohammad Bitar, and Pedram Fardnia (eds), *Ecological, Societal, and Technological Risks in the Financial Sector*, Palgrave McMillan, pp. 91-122.

- Pascal François and Georges Hübner, 2008, Asset Dynamics Estimation and its Impact on CDS Pricing, in Greg Gregoriou and Paul Ali (eds), *The Credit Derivatives Handbook*, McGraw-Hill, pp. 121-141.

- Pascal François, 2005, Corporate Debt Valuation: The Structural Approach, in Hatem Ben Ameer and Michèle Breton (eds), *Numerical Methods in Finance*, Springer, pp. 1-33.

## **Books**

- Pascal François, 2022, *Fiches de Stratégies Financières*, Éditions Ellipses, 203 pages.

- Pascal François, 2012, *Stratégies Financières*, Éditions Ellipses, 256 pages.

- Pascal François, Nabil Khoury and Pierre Laroche, 2010, *Introduction aux Instruments Financiers Dérivés*, Presses Universitaires de Laval, Québec, 518 pages.

- Pascal François, 2005, *Les Produits Dérivés Financiers*, Dunod, Paris, 363 pages.

## **Non-refereed publications**

- Pascal François, 2012, Current Issues in OTC Derivatives, *Insurance and Finance Newsletter* (The Geneva Association) 10, 23-26.

- Pascal François, 2010, Perspectives de l'Industrie Bancaire Canadienne après la Crise Financière, *Assurances et Gestion des Risques* 78, 93-99.

- Pascal François, 2008, The Valuation of Vulnerable Options, *FSR Forum Magazine* (Erasmus University) 3, 60-63.

## **Working papers** (downloadable from [papers.ssrn.com](https://papers.ssrn.com))

- Joint Dynamics for the Underlying Asset and its Implied Volatility: A New Methodology for Option Risk Management, with Rémi Galarneau-Vincent, Geneviève Gauthier and Frédéric Godin.

- A Portfolio Approach to Venture Capital Financing, with Yan Alperovych and Georges Hübner.

- Credit Default Swaps and the Cost of Capital, with Chunrong Wang, Harjeet Bhabra and Thomas Walker.

- How does a Cap on Interest Expense Change the Tax Benefits of Debt? with Karan Bhanot and Palani-Rajan Kadapakkam.

- The Role of CDS Spreads in Explaining Bond Recovery Rates, with Matteo Barbagli, Geneviève Gauthier and Frédéric Vrins.

## **Presentations at conferences**

2023	HEC-McGill Winter Finance Workshop.
2022	French Finance Association (AFFI), St-Malo.
2021	Eastern Finance Association (EFA) (virtual). French Finance Association (AFFI) (virtual).
2020	International Conference on Futures and Other Derivatives (ICFOD) (virtual).
2019	Financial Management Association (FMA), New Orleans. French Finance Association (AFFI), Quebec City. ESSEC Conference on Financial Markets and Risk Management, Paris.
2018	HEC-McGill Winter Finance Workshop.
2016	French Finance Association (AFFI), Liège.
2015	International Research Meeting in Business & Management (IRMBAM), Nice. French Finance Association (AFFI), Paris. HEC-McGill Winter Finance Workshop.
2014	Innovation for Financial Services (INNOFIN), Montréal.
2013	Northern Finance Association (NFA), Quebec City. Financial Management Association (FMA), Chicago.
2012	Academy of Behavioral Finance and Economics (ABFE), New York. French Finance Association (AFFI), Strasbourg.
2011	Financial Management Association (FMA), Denver. Multinational Finance Society, Rome. European Financial Management Symposium, Toronto.
2010	Financial Management Association (FMA), New York.
2008	Financial Management Association (FMA), Dallas. Northern Finance Association (NFA), Calgary.
2007	Financial Management Association (FMA), Barcelona. Conference on Asset Pricing and Performance, Luxembourg.
2006	French Finance Association (AFFI), Paris. Insight Conference on Derivatives and Structured Products, Montréal.
2005	Financial Management Association (FMA), Chicago.

- Northern Finance Association (NFA), Vancouver.
- 2004 Financial Management Association (FMA), New Orleans.  
Northern Finance Association (NFA), St-John's.
- 2003 Northern Finance Association (NFA), Quebec City.  
Optimization Days, Montréal.  
Eastern Finance Association (EFA), Orlando.  
Canadian Society of Economic Sciences, Montréal.
- 2002 Southwestern Finance Association (SWFA), St-Louis.
- 2001 Southern Finance Association (SFA), Destin.  
Canadian Society of Economic Sciences, Quebec City.
- 2000 Global Finance Conference, Chicago.
- 1999 European Finance Association (EFA), Helsinki.  
CEPR Conference, Louvain-la-Neuve.  
French Finance Association (AFFI), Aix-en-Provence.
- 1998 French Finance Association (AFFI), Lille.
- 1996 Symposium on Money, Finance, Banking and Insurance, Karlsruhe.  
French Finance Association (AFFI), Geneva.

### **Invited talks**

- Since 2020 Laval University, University of Ottawa.
- 2015–2019 CIRANO, Laval University, Toulouse Business School, UC Louvain (CORE),  
University of Liège (2), University of Texas at San Antonio.
- 2010–2014 Brandeis University, Deloitte Montréal Annual Meeting, University of  
Toronto.
- 2005–2009 Bank of England, EM Lyon, ESSEC, HEC Lausanne, Luxembourg School of  
Finance, Toulouse Business School, University of Guelph, University of  
Liège, University of Maastricht, University of Rennes.
- 2000–2004 HEC Montréal, Laval University, McGill University, Stockholm School of  
Economics, University of Rennes, University of Southern California.

### **Refereeing activities**

#### Journals:

*Annals of Operations Research / Applied Financial Economics / Canadian Journal of  
Administrative Sciences / Computers & Operations Research / Emerging Markets Finance and  
Trade / European Financial Management / European Journal of Finance / European Journal of  
Operational Research / Finance / Finance Research Letters / International Journal of Finance and*

*Economics / International Journal of Theoretical and Applied Finance / International Review of Economics and Finance / Journal of Banking and Finance / Journal of Business Finance and Accounting / Journal of Corporate Finance / Journal of Economic Dynamics and Control / Journal of Empirical Finance / Journal of Finance / Journal of Financial Research / Journal of Financial Stability / Journal of Futures Markets / Journal of International Economics / Journal of International Financial Markets, Institutions & Money / Journal of Risk / Journal of Risk and Insurance / Management Science / North American Journal of Economics and Finance / Operations Research / Quantitative Finance / Risks / Scandinavian Actuarial Journal / SIAM Journal on Applied Mathematics / The Financial Review.*

#### Conferences:

- Financial Management Association (FMA), 2007, 2011.
- French Finance Association International Conference (AFFI), 2010, 2011, 2013–2019, 2021.
- Paris Finance International Conference (AFFI), 2006, 2007, 2009, 2012, 2016–2020.
- European Finance Association (EFA), 2007–2009.
- Eastern Finance Association, 2009, 2024.
- Northern Finance Association (NFA), 2006, 2014–2019, 2021.
- Southern Finance Association (SFA), 2024.

#### Conference scientific committees:

- Invited Chair on the 17<sup>th</sup> Corporate Finance Day, Liège, 2020.
- EIASM Conference on Default Risk and Financial Distress, Rennes, 2007.
- Conference on Finance, Innovation and Technology (within the 18<sup>th</sup> Jacques Cartier Meetings), Grenoble, 2005.

### **Ph. D. supervisions**

- Antoine Noël (co-supervision with Nicolas Papageorgiou), 2017.  
"Derivatives, Information Transmission and Informed Trading".  
Initial placement: NEOMA, Reims.
- Amira Annabi (co-supervision with Michèle Breton), 2009.  
"Capital Structure and Chapter 11 Reorganization".  
Initial placement: Hunter College, CUNY, New York.  
Current position: Manhattan College, New York.
- Olfa Maalaoui Chun (co-supervision with Georges Dionne), 2009.  
"Three Essays on Corporate Credit Spreads and Default Risk".  
Initial placement: KAIST Graduate School of Finance, Seoul.  
Current position: Bloomberg, New York.

### **Ph.D. committees** (initial placement in parentheses)

- Rémi Galarneau-Vincent, Ph. D. HEC Montréal, 2023.
- Ella Patelli, Ph. D. HEC Montréal, 2022 (University of British Columbia).
- David Walker, Ph. D. Laval University, 2021 (Desjardins).
- Haohua Xu, Ph. D. McGill University, 2021 (CUFE Beijing).

- Stephen Szaura, Ph. D. McGill University, 2021 (BI Norwegian Business School).
- Chunrong Wang, Ph. D. Concordia University, 2020.
- Hugo Lamarre, Ph. D. HEC Montréal, 2018 (Fiera Capital).
- Xinghua (Alan) Zhou, Ph. D. Western University, 2018 (Morgan Stanley).
- Rim Cherif, Ph.D. HEC Montréal, 2017 (HEC Montréal).
- Samuel Ouzan, Ph.D. HEC Montréal, 2016 (Neoma Business School).
- Yaovi Gassesse Siliadin, Ph.D. HEC Montréal, 2016 (Deloitte).
- Sara Malekan, Ph.D. HEC Montréal, 2015 (Turquoise Partners).
- Florina Silaghi, Ph.D. University of Rennes, 2014 (Universitat Autònoma de Barcelona).
- Thomas Lejeune, Ph.D. University of Liège, 2014 (National Bank of Belgium).
- Diego Amaya, Ph.D. HEC Montréal, 2012 (UQAM).
- Hitesh Doshi, Ph.D. McGill University, 2011 (University of Houston).
- Serge Patrick Amvella, Ph.D. HEC Montréal, 2010 (Desjardins Venture Capital).
- Sadok Laajimi, Ph.D. HEC Montréal, 2010 (National Bank).
- Mathieu Boudreault, Ph.D. HEC Montréal, 2009 (UQAM).
- Laurent Bodson, Ph.D. University of Liège, 2009 (Gambit Financial Solutions).
- Lin Zhang, Ph.D. UQAM, 2009 (University of Chengdu).
- Véronique Bastin, Ph.D. University of Liège, 2008 (Ortis Laboratories).
- Lei Lu, Ph.D. McGill University, 2007 (Shanghai University).
- Hao Wang, Ph.D. McGill University, 2007 (Tsinghua University).
- Tarek Masmoudi, Ph.D. HEC Montréal, 2006 (CDP Québec).
- Karim Drira, Ph.D. HEC Montréal, 2006.
- Rodolfo Oviedo, Ph.D. McGill University, 2005 (Universidad Austral).
- Nadia Ouertani, Ph.D. HEC Montréal, 2005 (IESEG).
- Marko Savor, Ph.D. HEC Montréal, 2003 (UQAM).

#### Other committee

- Waël Louhichi, Habilitation qualification (HDR “accreditation to supervise research”), University of Rennes, 2012.

#### **MSc thesis supervisions** (co-supervisor in parentheses)

2023	Maria Bou-Assi, Mukesh Kumar.
2022	Salamata Ka, Mohamad Ghayeb.
2021	Hermann Beugre, Hon Cheung Hui.
2020	Anishi Shah.
2018	Arthur Gautier, Jia Guo.
2017	Adil Chhaibi, Yan Fang Zhu (with Mathieu Fournier).
2016	Lou Fang.
2015	Idris Bandaly, Laurent Hadjadj, Jérôme Lacasse.
2014	Weiyu Jiang, François Leclerc (with Christian Dorion).
2013	Jean-Paul Ahouassou (with Michèle Breton).

- 2012 Stéphanie Acciaoli, Kacper Jurga, Fouad Kouidmir, Michael Lavigne (with Michel Normandin), Géraldine Miniaou, Siham Rami.
- 2011 Mohamad-Rabea Aridi (with Chantal Labbé), Dominic Caron, Eddy Carlos Fonkouo, Simon du Tremblay (with Nicolas Papageorgiou).
- 2010 Alexandre Corhay, Romain Cuchet, Ariane Douyon (with Lars Stentoft), Wilfrid Owanga, Othmane Rachid-Tahri (with Geneviève Gauthier), Matthieu Robillard (with Martin Boyer).
- 2009 Mathieu Fournier (with Lars Stentoft).
- 2007 Xinghua Peng, Lisa Pollack (with Bertrand Candelon), Karim Tagemouati.
- 2006 Marie-Chantal Ouellette.
- 2005 Slim Ben Ali (with Michel Denault).
- 2004 Sarah Bounab (with Michèle Breton).
- 2003 Emilia Gabriele (with Pascal St-Amour), Pierre-Marc Sarrazin.
- 2002 Pierre Cloutier, Mohamed Mokhtari (with Michèle Breton), Abdeljalil Raouki.
- 2001 Charles Desjardins.

## **GRANTS AND AWARDS**

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### **Research grants**

- Since 2019 Professorship in Quantitative Corporate Finance, HEC Montréal.
- 2019–2022 CANSSI Collaborative Research Team Projects. Collaborator with lead investigators Mark Reesor, Hatem Ben Ameer and Adam Metzler.
- 2011–2019 Grant from Quebec Ministry of Education (MELS).
- 2009–2012 SSHRC. Standard individual research grant program.
- 2004–2010 Professorship in Corporate Finance, HEC Montréal.
- 2006–2008 Montréal Institute of Mathematical Finance (IFM2).  
Joint grant with Georges Dionne.
- 2005–2008 FQRSC. Support for Research Teams. Joint grant with Georges Dionne, Benoît Dostie, Andrew Leach, Robert Gagné, and Paul Lanoie.
- 2003–2009 SSHRC. Initiative for the New Economy. Joint grant.
- 2002–2005 Montréal Institute of Mathematical Finance (IFM2).  
Support for young researchers.

2001–2004 FQRSC. Support for Research Teams. Joint grant with Georges Dionne, Benoît Dostie, Claude Fluet, Robert Gagné, and Paul Lanoie.

## Awards

- 2013 Recipient of the François-Albert Angers Prize for the best book (*Stratégies Financières*, Ellipses) authored by a faculty member of HEC Montréal.
- 2012 Award for best paper published in *Finance* in 2011 (with Georges Hübner and Jean-Roch Sibille).
- 2008 EFMA-GARP Risk Management Research Award, sponsored by the Global Association of Risk Professionals for an outstanding paper in the field of financial risk management (with Georges Dionne and Olfa Maalaoui Chun).
- 2007 Recipient of the Chenelière Éducation / Gaëtan Morin Prize for the best research output over the last three years.
- 2006 Recipient of the François-Albert Angers Prize for the best book (*Les Produits Dérivés Financiers*, Dunod) authored by a faculty member of HEC Montréal.
- 2002 McGraw-Hill / Irwin Distinguished Paper Award at the Southwestern Finance Association (SWFA) conference.
- 2001 Best research grant application among young researchers, HEC Montréal.

## TEACHING

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### Courses taught

- Derivatives, MSc, 33 sessions.
- Derivatives, PhD, 2 sessions.
- Continuous-time Corporate Finance, PhD, 2 sessions.
- Corporate Financial Strategy, MSc, 13 sessions.
- Corporate Financial Strategy, BAA, 3 sessions.
- Capital Structure and Financing Decisions, MBA, 3 sessions.
- Cash Management, BAA, 4 sessions.
- Cash Management, MBA, 4 sessions.
- Managing and Evaluating Investments, MBA, 1 session.

### Lectures

- 2017–2023 McGill University.  
Market Risk Management (Masters of Management in Finance).
- 2020 University of Liège.  
Contingent Claims and Corporate Finance (Ph.D. course).

- 2007–2016 University of Liège and University of Maastricht.  
Credit Risk Modelling (Ph.D. course).
- 2008–2013 Training for PRMIA certification candidates.  
Mathematical Foundations module and Credit Risk module.
- 2011 Montréal Institute of Mathematical Finance (IFM2).  
Credit Risk Modelling.
- 2009 University of Rennes – IGR.  
Structural Models of Credit Risk (Ph.D. course).
- 1996–2000 ESSEC Graduate School of Economics and Management.  
Financial Management (core course 1<sup>st</sup> year).
- 1999–2000 University of Sophia Antipolis (France). ESSI (School of Computer Sciences)  
Introduction to Corporate Finance (post-graduate degree).
- 1998 HEC School of Management (France).  
Financial Markets (core course 2<sup>nd</sup> year).