

# **Banking and Asset Markets: Developments, Risks and Policy Issues**

**Palais Brongniart, Paris, 29 – 30 November 2007**

**The meeting is hosted by the Banque de France**

## **November 29, 2007**

08:45 – 09:15

**Registration**

09:15 – 09:30

**Welcome address**

Jean-Pierre Landau (Banque de France)

### **Session I : Liquidity and Risk**

Chair: Jaume Ventura (Universitat Pompeu Fabra and CEPR)

09:30 – 10:15

**Riding Bubbles**

\*Erik Kole (Erasmus University, Nadja Guenster Erasmus University)

Discussant: Lev Ratnovski (Bank of England and University of Amsterdam)

10:15 – 11:00

**Banking crises and the lender of last resort: How crucial is the role of information?**

\*Hassan Naqvi (National University of Singapore)

Discussant: Natacha Valla (Banque de France)

11:00 – 11:30

Coffee Break

11:30 – 12:15

**Assessing financial contagion in the interbank market: Maximum entropy vs. observed interbank lending patterns**

\*Paolo Emilio Mistrulli (Bank of Italy)

Discussant: Lucy White (HEC Lausanne, Harvard Business School and CEPR)

12:15 – 13:00

**Liquidity Risk and Correlation Risk: A Clinical Study of the General Motors and Ford Downgrade of May 2005**

\*Viral Acharya (London Business School and CEPR, Stephen Schaefer, Yili Zhang, London Business School)

Discussant: David Thesmar (HEC School of Management and CEPR)

13:00 – 14:30

Buffet

### **Session II: Securitization**

Chair: Marc-Olivier Strauss-Kahn (Banque de France)

14:30 – 15:15

**Does credit securitization reduce bank risk? Evidence from the European CDO market**

\*Jan-Pieter Krahen (Goethe University Frankfurt, Dennis Hänsel, Goethe University Frankfurt)

Discussant: Viral Acharya (London Business School)

- 15:15 – 16:00 **Securitization and the declining impact of bank finance on loan supply: Evidence from mortgage acceptance rates (Fondation Fellowship)**  
\*Philip Strahan (Boston College, Elena Loutskina, University of Virginia)  
Discussant: Vikrant Vig (London Business School, London)
- 16:00 – 16:30 Coffee Break
- 16:30 – 17:15 **Has the CDS market lowered the cost of corporate debt?**  
\*João Santos (Federal Reserve of New York, Adam Ashcraft, Federal Reserve of New York)  
Discussant: Günter Franke (Universität Konstanz)
- 17:15 – 18:00 **Originate-to-Distribute: Lessons from the subprime mortgage crisis**  
**Panel session:** Jean-Pierre Landau (Banque de France), Richard Portes (London Business School and CEPR), Jaume Ventura (Universitat Pompeu Fabra and CEPR)

### **November 30, 2007**

#### **Session III: Financial Systems**

Chair: Richard Portes (London Business School and CEPR)

- 09:00 – 09:45 **Comparing financial systems: A structural analysis**  
\*Sylvain Champonnois (Princeton University)  
Discussant: Falko Fecht (Deutsche Bundesbank)
- 09:45 – 10:45 **Invited Speaker**  
Philipp Hildebrand (Swiss National Bank, Vice-President)  
**Financial Stability: Objectives and Challenges for Central Banking**
- 10:45 – 11:15 Coffee Break
- 11:15 – 12:00 **The cost of banking regulation (Fondation Fellowship)**  
\*Luigi Guiso (University of Rome, Paolo Sapienza, Northwestern University, Luigi Zingales, University of Chicago and CEPR)  
Discussant: José Jorge (Universidade do Porto)
- 12:00 -14:30 Buffet

#### **Session IV: Issues for Monetary Policy**

Chair: Claudio Borio (Bank for International Settlements)

- 14:30 – 15:15 **Monetary policy and herd behavior in new-tech investment**  
\*Olivier Loisel (Banque de France, Aude Pommeret, HEC Lausanne, Franck Portier, Université de Toulouse)  
Discussant: S. Kapadia (Bank of England)
- 15:15– 16:00 **The role of interbank markets in monetary policy: A model with rationing**  
\*José Jorge (Universidade do Porto, Xavier Freixas, Universitat Pompeu Pabra and CEPR)  
Discussant: Stefan Gerlach (Institute for Monetary and Financial Stability and Johann Wolfgang Goethe University of Frankfurt)
- 16:00 – 16:45 **Monetary policy, credit constraints and growth**  
\*Enisse Kharroubi (Banque de France, Philippe Aghion, Harvard University and CEPR)  
Discussant: Philippe Moutot (European Central bank)

\*The asterisk denotes the presenter