



BASEL COMMITTEE ON BANKING SUPERVISION

BANK FOR INTERNATIONAL SETTLEMENTS



**“Banking, Risk and Regulation”:
A Workshop on Applied Banking Research**

**hosted by the Basel Committee on Banking Supervision,
and the Federal Deposit Insurance Corporation**

10–11 May 2007

**Venue:
L William Seidman Center,
3501 N Fairfax Drive, VS-C-3050
Arlington, VA**



Thursday 10 May

- 8.30 Registration and coffee**
- 9.00 Welcome by Paul H Kupiec (Federal Deposit Insurance Corporation)**
- 9.15 Opening remarks by Myron L Kwast (Board of Governors of the Federal Reserve System and Co-Chairman of the Research Task Force)**
- 9.30 Session 1: Credit risk and risk assessment**
Chair: Nancy Masschelein (National Bank of Belgium)
- 9.30 Debt composition and recoveries on defaulted debt**
Mark Carey (Board of Governors of the Federal Reserve System)
Michael Gordy (Board of Governors of the Federal Reserve System)
- 10.00 Discussion by Klaus Düllmann (Deutsche Bundesbank)
General discussion
- 10.30 Coffee break**
- 11.00 Empirical analysis of corporate credit lines**
Gabriel Jiménez (Bank of Spain)
Jose A Lopez (Federal Reserve Bank of San Francisco)
Jesús Saurina (Bank of Spain)
- 11.30 Discussion by Antonella Foglia (Bank of Italy)
General discussion
- 12.00 Credit risk and business cycle over different regimes**
Juri Marcucci (Bank of Italy)
Mario Quagliariello (Bank of Italy)
- 12.30 Discussion by Til Schuermann (Federal Reserve Bank of New York)
General discussion
- 13.00 Luncheon speech by Peter Praet (National Bank of Belgium and Co-Chairman of the Research Task Force)**
- 13.15 Lunch**



14.30 Session 2: Liquidity and systemic risk

Chair: Jürg Blum (Swiss National Bank)

14.30 Banks' choice of liquidity: the role of fire sales and entry

Viral Acharya (London Business School and CEPR)

Hyun Song Shin (Princeton University)

Tanju Yorulmazer (Bank of England)

15.00 Discussion by Haibin Zhu (Bank for International Settlements)

General discussion

15.30 Liquidity and transparency in bank risk management

Lev Ratnovski (Bank of England)

16.00 Discussion by Lars Frisell (Sveriges Riksbank)

General discussion

16.30 Coffee break

17.00 A new risk indicator and stress testing tool: a multifactor-nth-to-default CDS basket

Renzo G Avesani (International Monetary Fund)

Antonio Garcia Pascual (International Monetary Fund)

Jing Li (International Monetary Fund)

17.30 Discussion by Benjamin Tabak (Central Bank of Brazil)

General discussion

18.00 End of Thursday sessions

19.00 Reception and dinner

MB-Executive Dining Room and Terrace



Friday 11 May

8.30 Registration and coffee

9.00 Session 3: Information and regulation

Chair: Erlend Nier (Bank of England)

9.00 Self-destroying prophecies? The endogeneity pitfall in using market signals as triggers for prompt corrective action

Urs W Birchler (Swiss National Bank)

Matteo Facchinetti (Swiss National Bank)

9.30 Discussion by Joao Santos (Federal Reserve Bank of New York)

General discussion

10.00 Stale information, shocks and volatility

Reint Gropp (European Central Bank, University of Frankfurt and ZEW)

Arjan Kadereja (European Central Bank)

10.30 Discussion by Diana Hancock (Board of Governors of the Federal Reserve System)

General discussion

11.00 Coffee break

11.30 How do banks adjust their capital ratios? Evidence from Germany

Christoph Memmel (Deutsche Bundesbank)

Peter Raupach (Deutsche Bundesbank)

12.00 Discussion by José-Luis Peydro-Alcalde (European Central Bank)

General discussion

12.30 Lunch



- 13.30 Session 4: Regulatory policy and stress testing**
Chair: Bent Vale (Central Bank of Norway)
- 13.30 The effect of bank supervision on loan growth**
Timothy J Curry (Federal Deposit Insurance Corporation)
Gary S Fissel (Federal Deposit Insurance Corporation)
Carlos D Ramirez (George Mason University)
- 14.00 Discussion by Ivan Alves (European Central Bank)
General discussion
- 14.30 Spoilt and lazy: the impact of state support on bank behaviour in the international loan market**
Blaise Gadanez (Bank for International Settlements)
Kostas Tsatsaronis (Bank for International Settlements)
Yener Altunbaş (University of Wales)
- 15.00 Discussion by Thomas Kick (Deutsche Bundesbank)
General discussion
- 15.30 Coffee break**
- 16.00 Loss coverage and stress testing mortgage portfolios: a non-parametric approach**
Adolfo Rodriguez (Bank of Spain)
Carlos Trucharte (Bank of Spain)
- 16.30 Discussion by Iman van Lelyveld (Netherlands Bank and Radboud University)
General discussion
- 17.00 Closing remarks by Myron L Kwast (Board of Governors of the Federal Reserve System and Co-Chairman of the Research Task Force)**
- 17.15 End of workshop**



Workshop Organisers:

Martin Birn (Basel Committee Secretariat)

Jürg Blum (Swiss National Bank)

Paul Kupiec (Federal Deposit Insurance Corporation)

Iman P P van Lelyveld (Netherlands Bank and Radboud University)

Nancy Masschelein (National Bank of Belgium)

Erlend Nier (Bank of England)

Martin Summer (Austrian National Bank)

Bent Vale (Central Bank of Norway)