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Participation is free.  
Registration online required at  
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CAREFIN  
Centre for Applied  
Research in Finance

Department  
of Finance

## Matching Stability and Performance

The Impact of New  
Regulations on Financial  
Intermediary Management  
and Performance

29 September 2010

### Organizing Committee

**Gregorio De Felice**

Intesa Sanpaolo

**Giuliano Iannotta**

Head of Banking Division, CAREFIN

**Andrea Resti**

Director, CAREFIN

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**Mark Flannery**

University of Florida

**Paolo Fulghieri**

University of North Carolina and ECGI

**Philipp Hartmann**

European Central Bank

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Rensselaer Polytechnic Institute

**Steven Ongena**

CentER, Tilburg University and CEPR

**George Pennacchi**

College of Business, University of Illinois  
at Urbana-Champaign

# BOCCONI



Università Commerciale  
Luigi Bocconi

Via Sarfatti 25  
20136 Milano

In collaboration with  
INTESA  SANPAOLO

9:00am-6:30pm  
Università Bocconi  
Via Gobbi 5

**Foyer Aula Magna Via Gobbi 5**

**9:00am Registration of participants**

**Aula Magna Via Gobbi 5**

**9:15am Welcome Addresses**  
**Andrea Resti** Director, CAREFIN Bocconi  
**Gregorio De Felice** Head of Research and Chief economist, Intesa Sanpaolo

**9:30am Keynote Speech**  
**Lorenzo Bini Smaghi** Member of the Executive Board, ECB

**10:30am Plenary Session**

**New Rules, New Practices: How Will Banking Change?**  
Chair: **Mark Flannery** University of Florida

**Contingent Capital With a Dual Price Trigger**  
**Robert L. McDonald** (S) Kellogg School Northwestern University

**Countercyclical Contingent Capital: Possible Use and Ideal Design**  
**Giuseppe De Martino, Massimo Libertucci, Mario Marangoni, Mario Quagliariello** (S) Bank of Italy

**11:10am Coffee break**

**11:30am Incorporating Economic Forecasts and Bank Risk Adjustments Into Supervisory Ratings and PCA Triggers**  
**James A. Wilcox** University of California Berkeley;  
**John O'Keefe** (S) Federal Deposit Insurance Corporation

**Assessing the Systemic Risk of a Heterogeneous Portfolio of Banks During the Recent Financial Crisis**  
**Xin Huang** University of Oklahoma; **Hao Zhou** Federal Reserve Board; **Haibin Zhu** (S) Bank for International Settlements

**The Effect of TARP on Bank Risk-Taking**  
**Lamont Black** (S), **Lieu Hazelwood** Board of Governors of the Federal Reserve System Washington

**12:30am Q&A and end of the plenary session**  
Panel discussant: **Philipp Hartmann** European Central Bank

**1:00pm Lunch break**

**Rooms N01 and N02 - Piazza Sraffa 13**

**2:30pm Parallel Sessions**

**Session 1A - Room N01**  
**Bank Governance**  
Chair: **Iftekhar Hasan** Rensselaer Polytechnic Institute

**Stronger Risk Controls, Lower Risk: Evidence From U.S. Bank Holding Companies**  
**Andrew Ellul**, Kelley School of Business, Indiana University; **Vijay Yerramilli** (S) C.T. Bauer College of Business, University of Houston  
Discussant: **Simon Kwan**

**Risk-Taking by Banks: What Did We Know and When Did We Know It?**  
**Sugato Bhattacharyya** (S), **Amiyatosh Purnanandam** Ross School of Business, University of Michigan  
Discussant: **Haibin Zhu**

**Rewarding Calculated Risk Taking: Evidence from Experiments with Commercial Bank Loan Officers**  
**Shawn Cole** Harvard Business School, J-PAL, and IPA; **Martin Kanz** (S) Harvard University; **Leora Klapper** World Bank  
Discussant: **Lamont Black**

**Session 1B - Room N02**  
**Crisis Propagation**  
Chair: **George Pennacchi** University of Illinois at Urbana-Champaign

**The Behavior of Intoxicated Investors: The Role of Institutional Investors in Propagating the Crisis of 2007-08**  
**Alberto Manconi** (S) Tilburg University; **Massimo Massa** INSEAD; **Ayako Yasuda** UC Davis  
Discussant: **Kose John**

**Money Market Runs**  
**Sean Collins** Investment Company Institute; **Russ Wermers** (S) Smith School of Business, University of Maryland  
Discussant: **Radhakrishnan Gopalan**

**Term Interbank Lending During the 2007-09 Financial Crisis**  
**Dennis Kuo, David Skeie** (S), **James Vickery** Federal Reserve Bank of New York  
Discussant: **Florian Heider**

4:15pm Coffee break

4:45pm Session 2A - Room N01

**Bank Lending and Credit Risk**

Chair: **Steven Ongena** CentER, Tilburg University and CEPR

**Financial Crisis and Bank Lending**

**Simon H. Kwan** (S) Federal Reserve Bank of San Francisco

Discussant: **Russ Wermers**

**Do Credit Rating Agencies Underestimate Liquidity Risk?**

**Radhakrishnan Gopalan** (S) Olin Business School Washington University in St. Louis; **Fenghua Song** Smeal College of Business, Pennsylvania State University; **Vijay Yerramilli** C.T. Bauer College of Business, University of Houston

Discussant: **David Skeie**

**The Sources of Value of Relationships: Screening, Monitoring and the Likelihood of Consumer Default**

**Manju Puri** Duke University and NBER; **Jörg Rocholl** ESMT European School of Management and Technology; **Sascha Steffen** (S) University of Mannheim

Discussant: **Vijay Yerramilli**

Session 2B - Room N02

**Leverage and Taxation**

Chair: **Paolo Fulghieri** University of North Carolina and ECGI

**Law, Organizational Form, and Taxes: Financial Crisis and Regulating through Incentives**

**Kose John** (S) Stern School of Business, New York University; **Vinay B. Nair** Ada Investment Management; **Lemma Senbet** University of Maryland

Discussant: **Xavier Freixas** Universitat Pompeu Fabra

**Infectious Leverage**

**Anand M. Goel** (S) LECG, Inc; **Fenghua Song** Smeal College of Business, Pennsylvania State University;

**Anjan V. Thakor** Olin Business School, Washington University in St. Louis

Discussant: **Robert L. McDonald**

**Risk-Sharing or Risk-Taking? Financial Innovation, Margin Requirements and Incentives**

**Bruno Biais** Toulouse School of Economics; **Florian Heider** (S), **Marie Hoerova** European Central Bank

Discussant: **Sugato Bhattacharyya**

6:30pm End of conference