



RIDGE / BANCO CENTRAL DEL URUGUAY

WORKSHOP ON FINANCIAL STABILITY

2016 RIDGE DECEMBER FORUM

Montevideo, Uruguay / December 6-7, 2016

Preliminary Program

Conference venue: Banco Central del Uruguay, located at Diagonal Fabini 777, Montevideo

Scientific Committee

Xavier Freixas (Universitat Pompeu Fabra)

Jorge Ponce (Banco Central del Uruguay)

Rafael Repullo (CEMFI)

Jean-Charles Rochet (University of Zurich)

Keynote Speaker

Charles Calomiris (Columbia Business School)

WORKSHOP PROGRAM

DECEMBER, TUESDAY 6

8:45 Opening remarks

Session 1 Resolution Policies

9:00 – 10:30 • **The economic impact of reducing non-performing loans**

Alexander Plekhanov, European Bank for Reconstruction and Development
(co-author: Balgova, M.)

• **Collateral matters: Liquidity injection policies and fire sales**

Nicholas Garvin, Reserve Bank of Australia

10:30 – 11:00 Coffee Break

Keynote Talk

11:00 – 12:00 • **Using news to predict systemic risk in emerging markets**

Charles Calomiris, Columbia Business School

12:00 – 14:00 Lunch

Session 2 Interbank and bank-customer relationships

14:00 – 16:15 • **Bank competition and the limits of creditor's protection reforms**

Klenio Barbosa, Sao Paulo School of Economics (co-author: Alencar, L.; Andrade, R.)

• **Depositor discipline and earnings management in private banks**

Germán López-Espinosa, Universidad de Navarra (co-author: Gomez, J.; López-de-Silanes, F.)

• **Endogenous peer effects in the interbank market: What factors matter when a bank lends (borrows) in this market?**

Paula Margaretic, Central Bank of Chile (co-author: Cinfuentes, R.; Carreño, J.)

16:15 – 16:45 Coffee Break

Policy Debate

16:45 – 18:00 • **Macroprudential policies through the cycle**

(Conference room “Cr. Enrique V. Iglesias”)

Chair: **TBC**

• **Eduardo Fernández-Arias**, Former Principal Economist BID

• **Alberto Graña**, BCU

• **Alberto Ortiz**, CEMLA

Session 3	Financial stability in general equilibrium models
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9:15 – 10:45

- **Macroprudential regulation and misallocation**

David Perez-Reyna, Universidad de los Andes (co-author: Hill, E.)

- **The Eurozone debt crisis: A New-Keynesian DSGE model with default risk**

Mathilde Viennot, Paris School of Economics (co-author: Cohen, D.; Villemot, S.)

10:45 – 11:15

Coffee Break

11:15 – 12:00

- **Basel III regulation in an estimated DSGE model**

Javier Garcia-Cicco, Universidad Católica de Buenos Aires (co-author: Frache, S.; Ponce, J.)

12:00 – 13:30

Lunch

Session 4	Crisis and Institutional arrangements
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13:30 – 15:00

- **Central bankers as supervisors: Do crises matter?**

Donato Masciandaro, Bocconi University (co-author: Romelli, D.)

- **Prudent banks and creative mimics: Can we tell the difference?**

Andrew Powell, Inter American Development (co-author: Miller, M.; Maier, A.)

15:00 – 15:30

Coffee Break

Session 5	Bank regulation
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15:30 – 17:45

- **Did the Basel process of capital regulation enhance the resiliency of European banks?**

Maria-Chiara Iannino, University of Vienna (co-author: Gehrig, T.)

- **Bank capital regulation with unregulated competitors**

David Martinez-Miera, Universidad Carlos III de Madrid (co-author: Schliephake, E.)

- **Bank capital buffers around the world: cyclical patterns and the effect of market power**

Oscar Carvalho, CEMLA (co-author: Ortiz, A.)

Keynote Speaker:



Charles W. Calomiris: Is Professor of Financial Institutions at Columbia Business School, Director of the Business School's Program for Financial Studies and his Initiative on Finance and Growth in Emerging Markets. He is also a professor at Columbia's School of International and Public Affairs. He received a B.A. In Economics from Yale University, Magna Cum Laude and a Ph.D. in economics from Stanford University. Professor Calomiris holds an honorary doctorate from the University of Basel. His research areas include banking, corporate finance, financial history and monetary economics. It will provide the main reading of the workshop entitled "Using News to Predict Systemic Risk in Emerging Markets".

Policy Debate:

Macprudential policies through the cycle

The aftermath of the 2007-2008 crisis has been particularly challenging for the financial system and for the authorities in charge of ensuring its stability. While actions were taken to solve the most immediate problems, new and more demanding regulations were proposed and implemented, and institutional arrangements for the supervision of systemic risk were put in place, new challenges have emerged. In particular, the real and financial cycles have gone and probably will continue going in different and sometimes opposed directions. These challenges require balancing different types of policy tools in order to achieve multiple goals.

Participants of this policy debate are invited to discuss about the interaction between macroprudential policies and the traditional stabilization macroeconomic policies in a context in which financial and economic cycles do not necessarily coincide. What has been the experience in the recent past? What challenges have been faced and how have been them solved? Which is the forecast for the near future with respect to macroeconomic and financial cycles? Which are the associated risk to financial stability? How different jurisdictions are prepared from a macro-prudential perspective? What capacities exist and what tools should be strengthened at the different policy levels (fiscal, monetary, financial regulation and supervision) with a macro-prudential perspective for financial stability?

Participants:



Eduardo Fernández-Arias: Former Principal Economist of the Research Department of the Inter-American Development Bank and Coordinator of the Financial Stability and Development Network of the Central Banks of the South. Previously he was Regional Economic Adviser to the Southern Cone Department and before joining the IDB he was a researcher in the Department of International Economics at the World Bank. Ph.D. in Economics and a Masters in Statistics from the University of California, Berkeley. His main interests include: financial integration and capital flows, productivity and economic development and financial crises.



Alberto Graña: Economist graduated from the University of Lund, Sweden. He is professor at the Department of Economics in macroeconomics and public finance (FCEA, University of the Republic). Currently he holds the position of Manager of Economic Policy and Markets of the Central Bank of Uruguay. During the period January 2014 to April 2015 he held the position of President of the Central Bank of Uruguay.



Alberto Ortiz: Ph.D. in Economics Economics from Boston University. He is currently Professor-Researcher at EGADE Business School of the Tecnológico de Monterrey in Mexico City and manager of Monetary Research at the Center for Latin American Monetary Studies. Dr. Ortiz has lectured at Boston University, Harvard University and Oberlin College. His main areas of research are the interaction of macroeconomic policies in emerging markets, macro-financial linkages and the importance of management practices.