



Conference on “Financial Stability: Towards a Macroprudential Approach”

Hong Kong SAR, 5-6 July 2010

Programme

Day one: Monday 5 July

08:30 – 08:45 *Registration and coffee*

08:45 – 09:00 **Welcome remarks**
Dong He (HKMA) and Frank Packer (BIS)

09:00 – 10:00 **Keynote speech by Douglas Diamond (University of Chicago)**
“Short-term debt, fire sales and financial regulation”

10:00 – 10:30 Coffee break

Session 1 Systemic risk I

10:30 – 12:00 Chair: Frank Packer (BIS)

Paper 1: “Systemic risk: what defaults are telling us”
Kay Giesecke (Stanford University) and **Baeho Kim** (Korea University Business School)

Discussant: Mike So (HKUST)

Paper 2: “Attributing systemic risk to individual institutions”
Nikola Tarashev (BIS), Claudio Borio (BIS) and **Kostas Tsatsaronis** (BIS)

Discussant: Seung-Hwan Lee (Bank of Korea)

12:00 – 13:30 LUNCH

Session 2 Systemic risk II

13:30 – 15:00 Chair: Cho-Hoi Hui (HKMA)

Paper 3: “Regulatory capital charges for too-connected-to-fail institutions: a practical proposal”
Jorge A Chan-Lau (IMF)

Discussant: Haibin Zhu (BIS)

Paper 4: “Procyclicality of loan-loss provisioning and systemic risk in the Hong Kong banking system”
Eric Wong (HKMA), **Tom Fong** (HKMA) and Henry Choi (HKMA)



Discussant: Toyoichiou Shirota (BOJ)

15:00 – 15:30 Coffee break

Session 3 Boom-bust cycles

15:30 – 17:00 Chair: Haibin Zhu (BIS)

Paper 5: “The seeds of a crisis: a theory of bank liquidity and risk-taking over the business cycle
Viral Acharya (New York University) and **Hassan Naqvi** (National University of Singapore)

Discussant: Charles Leung (City University of Hong Kong)

Paper 6: “Asset-price boom-bust cycles and credit: what is the scope of macro-prudential regulation?”
Vladimir Borgy (Banque de France), **Laurent Clerc** (Bank de France) and Jean-Paul Renne (Bank de France)

Discussant: Zhongyan Zhu (CUHK)

18:00 – 21:00 **Conference dinner**

End of day one

Day two: Tuesday 6 July

09:00 – 10:00 **Keynote speech by Claudio Borio (BIS)**
“Implementing a macroprudential framework: balancing boldness and realism”

10:00 – 10:30 Coffee break

Session 4 New framework of prudential regulation

10:30 – 12:00 Chair: Dong He (HKMA)

Paper 7: “Procyclicality of capital requirements in a general equilibrium model of liquidity dependence”
Francisco Covas (Federal Reserve Board) and **Shigeru Fujita** (Federal Reserve Bank of Philadelphia)

Discussant: Giorgio Valente (University of Leicester)

Paper 8: “Grafting macroprudential policies in a macroeconomic framework choice of optimal instruments and interaction with monetary policy”
Paolo Angelini (Bank of Italy), **Stefano Neri** (Bank of Italy) and Fabio Panetta (Bank of Italy)

Discussant: Don Nakornthab (Bank of Thailand)



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- 12:00 – 12:10 Concluding remarks
- 12:15 – 14:00 Lunch
- 14:00 – 15:30 **Panel discussion**
Moderator: Eli Remolona (Chief Representative, BIS Representative Office for Asia and the Pacific)
- Arthur Yuen**, Deputy Chief Executive, HKMA
 Lex Hoogduin, Executive Director, De Nederlandsche Bank (DNB)
 Elbert Pattijn, Chief Risk Officer, DBS Bank Ltd
 Mark Lawrence, Managing Director, Mark Lawrence Group and Co-chairman,
 Institute of International Finance Risk Management Working Group
- 15:30 **End of the conference**