# Conference on “Financial Stability: Towards a Macroprudential Approach”

**Hong Kong SAR, 5-6 July 2010**

**Programme**

**Day one: Monday 5 July**

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<th>Time</th>
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<tr>
<td>08:30 – 08:45</td>
<td>Registration and coffee</td>
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| 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**

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<td>10:30 – 12:00</td>
<td>Chair: Frank Packer (BIS)</td>
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| 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**

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<td>13:30 – 15:00</td>
<td>Chair: Cho-Hoi Hui (HKMA)</td>
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</table>
| 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: Toyoichiu 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

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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)
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**