Banks’ liquidity in volatile macroeconomic and market environments

A joint conference by the Research Group of the Basel Committee on Banking Supervision, the Bank for International Settlements and the Centre for Economic Policy Research

Bank for International Settlements, Room A
Basel, Switzerland,
15–16 May 2024

Programme
Wednesday 15 May

8:30  Registration and coffee

9:00  Opening remarks

  Alexander Schulz, Deutsche Bundesbank and Co-Chair of the Research Group

9:05  Session 1: Non-banks

  Chair:  David Aikman, King’s College

9:05  Liquidity support and distress resilience in bank-affiliated mutual funds

  Giulio Bagattini, Frankfurt School of Finance & Management and European Securities and Markets Authority
  Falko Fecht, Deutsche Bundesbank
  Angela Maddaloni, European Central Bank

  Discussant:  Cristina Cella, Sveriges Riksbank

9:50  Interest rate exposures of non-banks: market concentration and monetary policy implications

  Gabor Pinter, Bank for International Settlements
  Danny Walker, Bank of England

  Discussant:  Azusa Takeyama, Bank of Japan

10:35  The secular decline of bank balance sheet lending

  Greg Buchak, Stanford Graduate School of Business and Stanford Institute for Economic Policy Research
  Gregor Matvos, Northwestern University and National Bureau of Economic Research
  Tomasz Piskorski, National Bureau of Economic Research

  Discussant:  Stefan Schmitz, Central Bank of the Republic of Austria
11:20   Coffee break

11:40   Session 2: Monetary policy

   Chair:  Samuel Da Rocha Lopes, European Banking Authority

11:40   Scarce, abundant, or ample? A time-varying model of the reserve demand curve

   Gara Afonso, Federal Reserve Bank of New York
   Domenico Giannone, Amazon, University of Washington and CEPR
   Gabriele La Spada, Federal Reserve Bank of New York
   John C Williams, Federal Reserve Bank of New York
   Discussant:  Enrico Perotti

12:25   Central bank liquidity reallocation and bank lending: evidence from the tiering system

   Carlo Altavilla, European Central Bank and CEPR
   Miguel Boucinha, European Central Bank
   Lorenzo Burlon, European Central Bank
   Mariassunta Giannetti, Stockholm School of Economics and CEPR
   Julian Schumacher, European Central Bank
   Discussant:  Guillaume Horny, Bank of France

13:10   Lunch
14:10 Keynote speech
Agnès Benassy-Quéré, Deputy Governor, Bank of France, and Paris School of Economics

14:50 Session 3: Deposits
Chair: Alexander Schulz, Deutsche Bundesbank and Co-Chair of the Research Group

14:50 Banking on uninsured deposits
Itamar Drechsler, Wharton School, University of Pennsylvania
Alexi Savov, Stern School of Business, New York University
Philipp Schnabl, Stern School of Business, New York University
Olivier Wang, New York University, Kaufman Management Center
Discussant: Maximilian Jager, Frankfurt School of Finance & Management

15:35 Coffee break

16:00 Foreign-borne interest rate risk: effects of foreign deposits on monetary policy and bank balance sheets
Rashad Ahmed, Office of the Comptroller of the Currency
Discussant: Gabor Pinter, Bank for International Settlements

16:45 Deposit convexity, monetary policy and financial stability
Emily Greenwald, Federal Reserve Bank of Dallas
Sam Schulhofer-Wohl, Federal Reserve Bank of Dallas
Joshua Younger, Federal Reserve Bank of New York
Discussant: Stefano Ungaro, Bank of France

17:30 Keynote speech
Viral Acharya, New York University Stern School of Business

18:15 End Day 1
Thursday, 16 May

9:00 Joint session with the workshop on Tackling the risks in systemically relevant banks – lessons from March 2023, jointly organised by the Bank for International Settlements, the Swiss Financial Market Supervisory Authority and the Swiss National Bank

9:00 Introductory remarks
Agustín Carstens, General Manager, Bank for International Settlements

9:15 Panel session: The turmoil of March 2023 – causes and drivers
Chair: Marlene Amstad, Chair, FINMA
Speakers: Viral Acharya, New York University Stern School of Business
Amit Seru, Stanford GSB, the Hoover Institution, SIEPR and NBER
Beatrice Weder di Mauro, Geneva Graduate Institute and CEPR

10:45 Coffee break
11:15  **Session 4: Bank runs**

*Chair: Olivier de Bandt (Bank of France)*

11:15  **Corporate runs and credit reallocation**

- **Elena Carletti**, Bocconi University, Baffi Carefin, IGIER and CEPR
- Filippo De Marco, Bocconi University, Baffi Carefin, IGIER and CEPR
- Vasso Ioannidou, Bayes Business School and CEPR
- Enrico Sette, Bank of Italy and CEPR

Discussant: Valentin Schubert, Sveriges Riskbank

12:00  **Procyclical leverage and crisis probability in a macroeconomic model of bank runs**

- **Daisuke Ikeda**, Bank of Japan
- Hidehiko Matsumoto, National Graduate Institute for Policy Studies (GRIPS)

Discussant: Haakon Solheim, Norges Bank

12:45  **Lunch**

14:00  **Distortive effects of deposit insurance: administrative evidence from deposit and loan accounts**

- **Dominic Cucic**, National Bank of Denmark
- Rajkamal Iyer, Imperial College London and CEP
- Sotirios Kokas, University of Essex
- José-Luis Peydro, Imperial College London and CEPR
- Stefano Pica, Bank of Italy

Discussant: Chacko George, Federal Deposit Insurance Corporation (virtual)

14:45  **Coffee break**
15:15 Session 5: Interest rate risk

Chair: David Lynch, Board of Governors of the Federal Reserve System and Co-Chair of the Research Group

15:15 As interest rates surge: from funding to financing

Giuseppe Cappelletti, European Central Bank
David Marques-Ibanez, European Central Bank
Alessi Reghezza, European Central Bank
Carmelo Salleo, European Central Bank

Discussant: Daniel Foos, Deutsche Bundesbank

16:00 LASH risk and interest rates

Laura Alfaro
Saleem Bahaj, University College London and Bank of England
Robert Czech, Bank of England
Jonathon Hazell, London School of Economics
Ioana Neamtu, Bank of England

Discussant: Calixto López Castañon, Bank of Mexico

16.45 Closing remarks

David Lynch, Board of Governors of the Federal Reserve System and Co-Chair of the Research Group

17.00 End of conference
Programme committee

David Aikman, King’s College
Thorsten Beck, European University Institute and CEPR
Laurent Clerc, French Prudential Supervision and Resolution Authority
Claudia Custodio, Imperial College London and CEPR
Samuel Da Rocha Lopes, European Banking Authority
Olivier de Bandt, Bank of France
Klaus Düllmann, European Central Bank
Gaston Gelos, Bank for International Settlements and CEPR
Mariassunta Giannetti, Stockholm School of Economics and CEPR
Vasso Ioannidou, City University of London and CEPR
Pablo Rovira Kaltwasser, National Bank of Belgium
David Lynch, Board of Governors of the Federal Reserve System
Andreas Schrimpf, Bank for International Settlements and CEPR
Alexander Schulz, Deutsche Bundesbank
Ilhyock Shim, Bank for International Settlements
Hyun Song Shin, Bank for International Settlements
Greg Sutton, Bank for International Settlements
Margarita Tsoutsoura, Washington University in St Louis and CEPR

Conference organisation

Martin Birn, Basel Committee Secretariat