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The Impact of Economic Slowdowns on Financial Institutions and Their Regulators

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Federal Reserve Bank of Boston, April 17–19, 2002

PROGRAM

Wednesday, April 17

5:00 PM Welcome Reception
Federal Reserve Bank of Boston, 31st Floor

Thursday, April 18

8:00 AM Continental Breakfast
New England Room

8:20 AM Welcoming Remarks: Lynn E. Browne and Eric S. Rosengren
Federal Reserve Bank of Boston

Session I: Impact of Economic Downturns on Banks

8:30 AM Miguel Angel Segoviano (London School of Economics) Philip Lowe (Bank of International Settlements)
"Internal Ratings, the Business Cycle and Capital Requirements: Some Evidence from an Emerging Market Economy"
Discussant: Frederic S. Mishkin, Columbia University

9:30 AM Eva Catarineu-Rabell (University of Pompeu Fabra and Bank of England) Patricia Jackson (Bank of England)
Dimitrios P. Tsomocos (Bank of England and International Financial Stability Programme)
"Procyclicality and the New Basel Accord—Banks' Choices of Loan Rating System"
Discussant: Michael W. Klein, Tufts University

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10:30 AM Break

11:00 AM John Jordan (Federal Reserve Bank of Boston)
Eric Rosengren (Federal Reserve Bank of Boston)
"Economic Cycles, Collateral Cycles and Bank Health"
Discussant: Klaas H. W. Knot, De Nederlandsche Bank

Noon Lunch

Session II: Affect of Economic Downturns on Bank Regulation

1:30 PM Anjan V. Thakor (University of Michigan)
"Banking Stability, Reputational Rents, and the Stock Market: Should Bank Regulators Care about Stock Prices"
Discussant: Arnoud W. A. Boot, University of Amsterdam

2:30 PM George Pennacchi (University of Illinois)
"Bank Deposit Insurance and Business Cycles: Controlling the Volatility of Risk-Base Premiums"
Discussant: George G. Kaufman, Loyola University–Chicago

3:30 PM Break

4:00 PM Introduction of Distinguished Speaker:
Cathy E. Minehan, Federal Reserve Bank of Boston
Address: E. Gerald Corrigan, Goldman, Sachs & Co.

5:00 PM Reception
Federal Reserve Bank of Boston, 31st Floor

Friday, April 19

8:00 AM Continental Breakfast
New England Room

Session III: Auditing Banks during Economic Downturns

8:30 AM Luc Laeven (The World Bank)
Giovanni Majnoni (The World Bank)
"Loan Loss Provisioning and Economic Slowdown: Too Much Too Late?"
Discussant: S. P. Kothari, MIT

9:30 AM Jeffery W. Gunther (Federal Reserve Bank of Dallas)
Robert R. Moore (Federal Reserve Bank of Dallas)
"Loss Underreporting and the Auditing Role of Bank Exams"
Discussant: George Plesko, MIT

10:30 AM Break

11:00 AM	Reint Gropp (European Central Bank) Jukka Vesala (European Central Bank) Giuseppe Vulpes (European Central Bank) "Equity and Bond Market Signals as Leading Indicators of Bank Fragility" Discussant: Christopher James, University of Florida
Noon	Lunch and Adjournment