

Friday, June 10, 2011 (continued)

13:45–15:15 **Session VI: Monetary Policy and Real Economy**  
(Chair: Ansgar Belke)

**Presentation 1 (20 minutes):**

**A Theory of the Non-Neutrality of Money with Banking Frictions and Bank Recapitalization**

Zhixiong Zeng (Department of Economics, Monash University, Australia)

Discussant (10 minutes): Ulrike Neyer (Department of Economics, University of Düsseldorf)

**Presentation 2 (20 minutes):**

**Stock Returns and Monetary Policy: Are There Any Ties?**

Hafedh Bouakez, Badye-Omar Essid and Michel Normandin (Department of Economics, HEC Montréal, CIRPÉE)

Discussant (10 minutes): Giovanni Urga (Faculty of Finance, Cass Business School, UK)

15:15–15:20 **Farewell**  
Dorothea Schäfer

16:45 **Start of boat trip around the center of Berlin**  
(3.5 hours)  
Departure/Arrival: Jannowitz-Brücke

#### *Programme Committee*

Christopher F. Baum (Boston College and DIW Berlin)

Christian Dreger (DIW Berlin and Viadrina Universität, Frankfurt/Oder)

Thilo Liebig (Bundesbank)

Edward Kane (Boston College)

Andreas Pfingsten (Finance Center Münster and DIW Berlin)

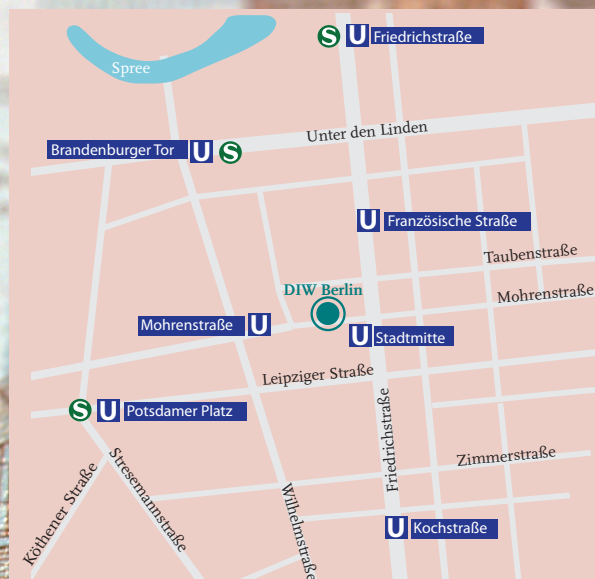
Dorothea Schäfer (DIW Berlin and Jönköping International Business School (JIBS))

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**DIW BERLIN**

DIW Berlin — Deutsches Institut für Wirtschaftsforschung

## The Role of Finance in Stabilizing the Past, Present, and Future Real Economy

June 9–10, 2011, Berlin

Conference organized by the German Institute for Economic Research (DIW Berlin), Deutsche Bundesbank, Finance Center Münster, Boston College, and the Journal of Financial Stability

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## Thursday, June 9, 2011

08:15–09:15 **Registration**

09:15–09:30 **Welcome Address, Introduction**

Georg Weizsäcker (Vice-Chairman of DIW Berlin)

09:30–11:00 **Session I: Financial Sector and Real Economy Risk (Chair: Andreas Pfingsten)**

**Presentation 1 (20 minutes):  
Systemic Real and Financial Risks: Measurement, Forecasting, and Stress Testing**

Gianni De Nicolò (IMF Research Department and CESifo) and Marcella Lucchetta (European University Institute Firenze, Italy)

Discussant (10 minutes): Andrea Schertler (University of Groningen, Netherlands)

**Presentation 2 (20 minutes):  
The Impact of Banking Sector Stability on the Real Economy**

Pierre Monnin (Swiss National Bank) and Terhi Jokipii (Swiss National Bank)

Discussant (10 minutes): Helmut Elsinger (Oesterreichische Nationalbank)

11:00–11:30 **Coffee break**

11:30–12:30 **Keynote Speech with discussion (Chair: Georg Weizsäcker)**

Regulation and Financial Markets: Lessons learned

Wolfgang Schäuble German Minister of Finance

**Discussion (up to 30 minutes)**

12:30–13:45 **Lunch**

13:45–15:15 **Session II: Default Modelling and Estimation (Chair: Edward Kane)**

**Presentation 1 (20 minutes):  
Systematic Risk and Parameter Uncertainty in Mortgage Securitizations**

Daniel Rösch (Institute of Banking and Finance, University of Hannover, Germany) and Harald Scheule (Department of Finance, Faculty of Business and Economics, University of Melbourne, Australia)

Discussant (10 minutes): Joseph Mason (Louisiana State University, USA)

**Presentation 2 (20 minutes):**

**A Regime Switching Unobserved Component Analysis of the CDX Index Term Premium**

Giovanni Calice (University of Southampton, UK), Christos Ioannidis, RongHui Miao (both: University of Bath, School of Management, UK)

Discussant (10 minutes): Alexander Karmann (Technical University Dresden, Germany)

15:15–15:45 **Coffee break**

15:45–17:15 **Session III: Lessons from Alternative Lending (Chair: Dorothea Schäfer)**

**Presentation 1 (20 minutes):**

**Skin in the Game: Evidence from the Online Social Lending Market**

Thomas Hildebrand (ESMT Berlin), Manju Puri (Duke University and NBER) and Jörg Rocholl (ESMT Berlin)

Discussant (10 minutes): Benjamin Klaus (Banque de France)

**Presentation 2 (20 minutes):**

**Of Religion and Redemption: Evidence from Default on Islamic Loans**

Lieven Baele (Netspar and CentER-Tilburg University), Moazzam Farooq (CentER-Tilburg University) and Steven Ongena (CentER-Tilburg, University and CEPR)

Discussant (10 minutes): Eva Terberger (University of Mannheim)

19:15

**Conference Dinner**

Dinner Speech

Tackling Systemic Risk: The role of central banks  
Karlheinz Bischofberger (Deutsche Bundesbank, Head of Department Financial Stability)

## Friday, June 10, 2011

09:00–10:30 **Session IV (invited papers): Banks and the Real Economy (Chair: Thilo Liebig)**

**Presentation 1 (25 minutes):**

**Quantifying the Too-big-to-fail Subsidy**

Kenichi Ueda (IMF) and Beatrice Weder di Mauro (University of Mainz)

Discussant (10 minutes): Jörg Rocholl (ESMT Berlin)

**Presentation 2 (25 minutes):**

**Macroeconomic Shocks and Risks in Banking**

Claudia Buch (University of Tübingen), Sandra Eickmeier (Deutsche Bundesbank) and Esteban Prieto (University of Tübingen)

Discussant (10 minutes): Eva Söbbecke (Deutsche Bundesbank)

10:30–11:00 **Coffee break**

11:00–12:30 **Session V: Consequences of Leveraging (Chair: Christopher F. Baum)**

**Presentation 1 (20 minutes):**

**Sovereign Defaults: The Price of Haircuts**

Christoph Trebesch (FU Berlin and Hertie School of Governance) and Juan Cruces (Universidad Torcuato Di Tella, Argentina)

Discussant (10 minutes): Mustafa Caglayan (University of Sheffield, UK)

**Presentation 2 (20 minutes):**

**Minsky's Financial Instability Hypothesis and the Leverage Cycle**

Sudipto Bhattacharya (London School of Economics), Charles A.E. Goodhart (London School of Economics), Dimitrios P. Tsomocos (University of Oxford) and Alexandros P. Vardoulakis (Banque de France)

Discussant (10 minutes): Julia Darby (University of Strathclyde, UK)

12:30–13:45 **Lunch**

