

## CONFERENCE PROGRAM

### **Corporate Finance of Financial Intermediaries**

A conference jointly sponsored by the Federal Reserve Bank of New York,  
the Wharton Financial Institutions Center of University of Pennsylvania and  
the *Review of Financial Studies*

September 29 and 30, 2006

Wharton School of University of Pennsylvania, Philadelphia

#### Organizers:

Franklin Allen, University of Pennsylvania  
Hamid Mehran, Federal Reserve Bank of New York  
Maureen O'Hara, Cornell University

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#### **Conference Introduction and Further Information**

This conference aims to promote a better understanding of corporate decisions at the intermediary level. This understanding, in turn, may help regulators promote efficiency and financial stability.

Conference papers will be available from the conference schedule on the web pages of the Federal Reserve Bank of New York, the Wharton School and the *Review of Financial Studies* starting early in September. Please note that seating is very limited and therefore, attendance is by invitation only.

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#### **Friday September 29**

7:30 Continental Breakfast

8:10 Welcoming remarks

#### **Session 1: Credit Market and Corporate Decisions** **Session Chair: Kose John, New York University**

8:15 Elena Carletti, University of Frankfurt  
Robert Marquez, Arizona State University  
Franklin Allen, University of Pennsylvania  
*Credit Market Competition and Capital Regulation*  
Discussant: **Anjan Thakor**, Washington University at St. Louis

9:15 Kenneth Ayotte, Columbia University  
Stav Gaon, Columbia University  
*Asset-Backed Securities: Costs and Benefits of “Bankruptcy Remoteness”*  
Discussant: **Robert Marquez**, Arizona State University

10:15 Break

**Session 2: Relationship Lending**  
**Session Chair: Franklin Allen, University of Pennsylvania**

10:35 Kathryn Dewenter, University of Washington  
Alan Hess, University of Washington  
*International Evidence on Relationship and Transactional Banks as Delegated Monitors*  
Discussant: **Mark Flannery**, University of Florida

11:35 Anthony Saunders, New York University  
Sreedhar Bharath, University of Michigan  
Sandeep Dahiya, Georgetown University  
Anand Srinivasan, National University of Singapore  
*Lending Relationships and Loan Contract Terms: Does Size Matter?*  
Discussant: **Douglas Diamond**, University of Chicago

12:35: Lunch

**Session 3: Consolidation and Corporate Policies**  
**Session Chair: Mark Flannery, University of Florida**

1:45 Isil Erel, Ohio State University  
*The Effect of Bank Mergers on Loan Prices: Evidence From the U.S.*  
Discussant: **Steven Drucker**, Columbia University

2:45 Kristine Hankins, University of Kentucky  
*Are Acquisitions an Operational Hedge? The Interaction of Financial and Operational Hedging*  
Discussant: **Kose John**, New York University

2:45 Break

**Session 4: Corporate Governance and Control**  
**Session Chair: Maureen O’Hara, Cornell University**

3:15 Luc Laeven, International Monetary Fund  
Ross Levine, Brown University  
*Corporate Governance, Regulation, and Bank Risk Taking*

- Discussant: **Haluk Unal**, University of Maryland
- 4:15 Joao Santos, Federal Reserve Bank of New York  
Kristin Wilson, Harvard University  
*Does Banks' Corporate Control Benefit Firms? Evidence from US Banks' Control over Firms' Voting Rights*  
Discussant: **Manju Puri**, Duke University
- 6:30 Reception and Dinner  
*Distinguished Speaker: Anthony M. Santomero, McKinsey & Company*
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### Saturday September 30

- 7:45 Continental Breakfast

#### Session 5: Relationship Lending and Certification Session Chair: **Richard Herring**, University of Pennsylvania

- 8:30 Mariassunta Giannetti, Stockholm School of Economics  
Mike Burkart, Stockholm School of Economics  
Tore Ellingsen, Stockholm School of Economics  
*What You Sell Is What You Lend? Explaining Trade Credit Contracts*  
Discussant: **Ronald Masulis**, Vanderbilt University
- 9:30 Amir Sufi, University of Chicago  
*The Real Effects of Debt Certification: Evidence from the Introduction of Bank Loan Ratings*  
Discussant: **Anthony Saunders**, New York University
- 10:30 Break
- 10:50 Nishant Dass, INSEAD  
Massimo Massa, INSEAD  
*The Dark Side of Bank-Firm Relationships: The (Market) Liquidity Impact of Bank Lending*  
Discussant: **Adriano Rampini**, Duke University
- 12:00 Lunch and Adjourment