

Incorporating Market Information into Financial Supervision

A Working Conference Sponsored by the
Federal Deposit Insurance Corporation
and the
Journal of Financial Services Research
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L. William Seidman Center Auditorium
3501 N. Fairfax Drive
Arlington, VA 22226-3500

10/23/00

- 8:45 Greetings: Arthur Murton (FDIC)
Haluk Unal (*JFSR*, University of Maryland)
- 8:55 *Setting the Stage: Some Thoughts on 'Market Discipline'*
Mark Flannery (University of Florida)
- 9:15 **Session I: Using Data**
[20 minutes per speaker; 30 minutes audience participation]
- Sub-Debt Yield Spreads as Bank Risk Measures*
Douglas Evanoff (FRB Chicago) and Larry Wall (FRB Atlanta)
- Using Bond and Stock Markets to Monitor Bank Holding Companies: Is It Feasible?*
Diana Hancock and Myron Kwast (Federal Reserve Board)
- Discussant: Anthony Saunders (NYU)
- 10:45 --- Coffee Break ---
- 11:00 **Session II: Market Assessments of Value**
[20 minutes per speaker; 30 minutes audience participation]
- Do Markets React to Bank Examination Ratings? Evidence of Indirect Disclosure*
Linda Allen (Baruch College, CUNY), Julapa Jagtiani, and James Moser (FRB Chicago)
- Market Discipline of Banks: The Asset Test*
Donald P. Morgan and Kevin J. Stiroh (FRB NY)
- Discussant: George Pennacchi (University of Illinois)

- 12:30 Lunch (no speaker)
- 1:45 **Session III: SND Abroad**
[20-minute presentation; 15-minute discussion; 15-min. audience participation]
- An Analysis of European Banks' SND Issues and Its Implications for the Design of a Mandatory Subordinated Debt Policy*
Andrea Sironi (Boconi University, Milan Italy)
- Discussant: Cem Karacadag (IMF)
- 2:35 --- Break ---
- 2:45 **Session IV: Panel Discussion: Supervisor and Market Analysts:
What should research be seeking?**
- Ms. Eleanor Bloxham, banking consultant
Mr. Timothy W. Long, Deputy Comptroller, Large Bank Supervision, OCC
Professor Suresh Sundaresan, Columbia University
- [Three 20-minute presentations; audience discussion]
- 4:15 **Final Comments from Audience Participants**
- 4:30 **Adjournment**