

**12<sup>th</sup> Annual Conference of the Central Bank of Chile**  
**“FINANCIAL STABILITY, MONETARY POLICY, AND CENTRAL BANKING”**

*Thursday, November 6, 2008*

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**Session I      Opening Remarks** (*Session in Spanish, with translation*)

9:00-9:15      Opening Remarks, **José De Gregorio** (Governor, Central Bank of Chile)

**Session II      Defining Financial Stability**

Chair: **José De Gregorio** (Governor, Central Bank of Chile)

9:15-10:00      “Defining and Safeguarding Financial Stability”, **Garry Schinasi** (International Monetary Fund)

Discussant: **Rodrigo Cifuentes** (Central Bank of Chile)

10:00-12:00      *Coffee Break*

12:00-12:45      “Towards an operational framework for financial stability: “fuzzy” measurement and its consequences”, **Claudio Borio** and **Mathias Drehmann** (Bank of International Settlements)

Discussant: **Norman Loayza** (World Bank)

12:45-13:45      “New Framework for Measuring and Managing Macrofinancial Risk and Financial Stability”, **Dale F. Gray** (IMF), **Robert C. Merton** (HBS, Harvard University), **Zvi Bodie** (Boston University)

"Incorporating Financial Sector Risk into Monetary Policy Models: Application to Chile" **Dale Gray** (IMF), **Leonardo Luna** and **Jorge Restrepo** (Central Bank of Chile).

Discussant: **Felipe Zurita** (Pontificia Universidad Católica de Chile)

**Session III      Keynote Address**

13:45-15:00      *Lunch*

Macrofinancial Systemic Risk Analysis, **Johan Molin** (Sveriges Riksbank)

**Session IV      Financial Stability and Monetary Policy**

Chair: **Pablo García** (Central Bank of Chile)

15:00-15:45      “Equity Market Spillovers in the Americas”, **Francis Diebold** (University of Pennsylvania), **Kamil Yilmaz** (Koc University)

Discussant: **Dimitrios Tsomocos** (University of Oxford)

15:45-16:30 “Modelling a Housing and Mortgage Crisis”, **Dimitrios Tsomocos** (University of Oxford), **Charles Goodhart** (LSE Professor Emeritus of Banking and Finance), **Alexandros Vardoulakis** (University of Oxford).

Discussant: **Simon Gilchrist** (Boston University)

16:30-17:00 *Coffee*

17:00-17:45 “Systemic Risk, Banking Regulation and Optimal Monetary Policy”, **Ethan Cohen-Cole** (Federal Reserve Bank of Boston) and **Enrique Martínez-García** (Federal Reserve Bank of Dallas)

Discussant: **Jonathan Kearns** (Reserve Bank of Australia)

*Friday, November 7, 2008*

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#### **Session V Financial Stress Testing Methodologies I**

Chair: **Kevin Cowan** (Central Bank of Chile)

9:00-9:45 “Households' Financial Vulnerability”, **Jaime Ruiz-Tagle** (University of Chile) and **Marcelo Fuenzalida** (Central Bank of Chile)

Discussant: **Eric Parrado** (Ministry of Finance - Chile)

9:45-10:30 “Macroeconomic-Stress Testing, Systemic Risk & Banking Stability Measures”, **Miguel Segoviano** (International Monetary Fund)

Discussant: **Enrique Martínez-García** (Federal Reserve Bank of Dallas)

10:30-10:45 *Coffee*

#### **Session VI Keynote Address**

10:45-11:30 “Financial Market Turbulences, International Integration, and Systemic Risk”, **Jaime Caruana** (International Monetary Fund)

#### **Session VII Panel I**

Chair: **Manuel Marfán** (Member of the Board, Central Bank of Chile)

11:30-12:30 “Financial Risk Management in Emerging Countries”

Panelists: **Martin Wolf** (Financial Times)  
**Martín Redrado** (Central Bank of Argentina)  
**José Darío Uribe** (Central Bank of Colombia)

12:30-13:50 *Lunch*

**Session VIII Financial Stress Testing Methodologies II**

Chair: **Enrique Marshall** (Member of the Board, Central Bank of Chile)

14:00-14:45 "Funding Liquidity Risk in a Quantitative Model of Systemic Stability", **David Aikman** (Bank of England), **Piergiorgio Alessandri** (Bank of England), **Bruno Eklund** (Bank of England), **Prasanna Gai** (Australian National University), **Sujit Kapadia** (Bank of England), **Elizabeth Martin** (Bank of England), **Nada Mora** (Bank of England) and **Gabriel Sterne** (Bank of England), **Matthew Willison** (Bank of England).

Discussant: **Ethan Cohen-Cole** (Federal Reserve Bank of Boston)

14:45-15:30 "A Network Model of Super-Systemic Crises", **Prasanna Gai** (Australian National University) and **Sujit Kapadia** (Bank of England)

Discussant: **Jorge Selaive** (Central Bank of Chile)

15:30-15:45 *Coffee*

**Session IX Panel II**

Chair: **Sebastián Claro** (Member of the Board, Central Bank of Chile)

15:45-17:00 "Financial Risk Management and Large Financial Institutions: Lessons from the Recent Turbulences"

Panelists: **Michael Bordo** (Rutgers University)  
**Paul McCulley** (PIMCO)  
**Roberto Zahler** (Zahler & Co.)

**Session X Closing Remarks**

17:00-17:30 **Charles W. Calomiris** (Columbia University)