



16TH ANNUAL FINANCIAL RISK ROUNDTABLE 2013

Wharton Financial Institutions Center and Oliver Wyman Institute

SHEDDING LIGHT ON THE SHADOW BANKING SYSTEM

EVENING OF THURSDAY, MAY 16, 2013

Location: 8th Floor, Jon M. Huntsman Hall, 3730 Walnut Street

6:30 – 7:15 pm Cocktails

7:15 – 9:00 pm Dinner

Speaker: **Peter Fisher**, BlackRock Investment Institute

FRIDAY, MAY 17, 2013

Location: 8th Floor, Jon M. Huntsman Hall, 3730 Walnut Street

8:00 – 8:45 am Continental Breakfast

8:45 am Introduction & Welcome

8:50 – 9:30 am Opening Remarks: **Douglas Duncan**, Fannie Mae

9:30 – 11:00 am **ROUNDTABLE 1**

The Economic Rationale for the Shadow Banking System

- Who needs capital and funding outside the protected financial system?
- Why here and not inside the banking system?
 - Role of financial innovation
 - Role of regulatory arbitrage and tax avoidance
- Who is willing to supply capital to the shadow banking system and why?

Panelists: **Richard Cantor**, Moody's

John Eatwell, Queen's College Cambridge

Darryll Hendricks, UBS

Zoltan Pozsar, The Office of Financial Research

Chair: **Richard J. Herring**, Wharton Financial Institutions Center

11:00 – 11:30 am Coffee Break

11:30 am – 1:00 pm

ROUNDTABLE 2**The Financial Crisis and Shadow Banking**

- To what extent did the shadow banking system amplify or dampen shocks to the financial system?
- To what extent did regulatory interventions increase volatility in the shadow banking system?
- Would official oversight or explicit access to official guarantees or the lender of last resort have made the system more resilient?

Panelists: **Tobias Adrian**, Federal Reserve Bank of New York**Joseph Benevento**, Deutsche Bank**Andrew Metrick**, Yale University**Brian Peters**, AIGChair: **Herman K. van Dijk**, Erasmus University, Rotterdam

1:00 – 2:00 pm

Lunch

2:00 – 4:00 pm

ROUNDTABLE 3**The Future of Shadow Banking: Demand, Supply & Regulation**

- Is the shadow banking system likely to be a source of systemic risk or a shock absorber?
- What sorts of innovations are likely to drive future expansion in the shadow banking system?
- Should we tolerate some unregulated/unsupervised parts of financial system?
 - If yes, how should we manage/regulate the membrane between the regular and the shadow banking system?
 - If no, how can we assure complete, comprehensive oversight?

Panelists: **Stijn Claessens**, The International Monetary Fund**Robert Eisenbeis**, Cumberland Advisors**Morgan Ricks**, Vanderbilt University**James Wilcox**, University of California at BerkeleyChair: **Til Schuermann**, Oliver Wyman

4:00 pm

Adjournment