Session 2 Finance

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Part 1: Agency Problems

- Should shareholders constrain financial institution activities and risk management systems improved?
- Should boards be strengthened?
- Are incentives appropriately aligned?
- Are markets sufficiently well informed and what role should analysts play?
- Are takeovers an effective discipline?

Part 2: Different Shareholders

- Is ownership of banks dispersed?
- Are conflicts between shareholders significant?
- Are banks with large shareholders better managed?
- Should other institutions be more active in corporate governance?
- Is foreign ownership good?

Part 3: Creditor and Systemic Problems

- Should creditors be given a more active role in financial institution governance?
- How should conflicts between creditors and shareholders be resolved?
- What role should credit rating agencies play?
- Should corporate governance protect creditors?
- Should it mitigate systemic risks?

Lead Panellists

- Part 1: Paolo Volpin, London Business School
- Part 2: Ross Levine, William Rhodes Center in International Economics, Brown University
- Part 3: Charles Calomiris, Columbia University Graduate School of Business

Part 1

Agency Problems

Part 2

Different Shareholders

Part 3

Creditor and Systemic Problems

Conclusions