Session 2 Finance

Colin Mayer
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