

You are kindly invited to the **Seminar in Financial Research** co-organised by the **National Bank of Belgium** and the **Belgian universities (KU Leuven, UA, UCL, UGent, ULB, ULg, UMons, UNamur, USaint-Louis, Vlerick and VUB)**

by

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on

Post crisis bank regulations and the liquidity of financial markets

Abstract

The increased reluctance of big banks to use their balance sheets for intermediation of safer assets is caused by risk-insensitive forms of capital requirements, such as the leverage-ratio rule, and by increased funding costs that have nothing to do with regulatory capital requirements. Now that the creditors of big banks are less likely to be bailed out with government capital, they are requiring much higher credit spreads. Using models and evidence, I show that bank credit spreads set a lower bound on the extra return (above and beyond the fair market return) that banks must earn on their trading activities to compensate their shareholders for use of balance sheet space.

The seminar will take place on **Friday, June 1st from 11:00 until 12:30**. The seminar will be held in the auditorium of the National Bank of Belgium, entrance: rue Montagne aux Herbes potagères 61, Brussels.

Please reply by email before Thursday, May 31st to nbbfinancial.seminar@nbb.be if you wish to participate to this seminar. In case you want to access the NBB Parking (rue Montagne aux Herbes potagères 41), please also provide us with your name and the license plate of your car.

Kind regards,

P. Ilbas (NBB), H. Degryse (KU Leuven), M. Deloof (UA), L. Iania (UCL), K. Inghelbrecht (UGent), K. Oosterlinck (ULB), G. Hubner(ULg), L. Pozniak (UMons), J.Y. Gnabo (UNamur), A. Claes (USaint-Louis), D. Veredas (Vlerick) and K. Boudt (VUB)