

# Elena Carletti

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Economics Department  
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## Current position

Oct. 2008- Professor, European University Institute  
Joint chair Economics Department and Robert Schuman Center for Advanced Studies  
Feb. 2008- Associate Professor, University of Frankfurt, Department of Finance (on leave)

## Education

Oct. 2007 Habilitation in Economics, University of Mannheim  
July 2000 Ph.D. in Economics, London School of Economics  
Feb. 1998 Doctorate in Economics, University of Bologna  
June 1994 Master in Economics (with distinction and best student award), Bocconi University, Milan  
July 1993 Laurea in Economics (110/110 and Summa cum laude), Bocconi University, Milan  
Winter 1992 Exchange Student, Queen Mary and Westfield College, London

## Previous academic experience

2004–2008 Post-doctoral Researcher, Center for Financial Studies, University of Frankfurt  
2000–2004 Assistant Professor of Economics, Chair of Prof. Martin Hellwig, University of Mannheim  
1999–2000 Tutorial Fellow in Finance, London School of Economics  
1998–2000 Research Assistant, Financial Markets Group, London School of Economics  
June 1999 Examiner for External Students, University of London  
1995–1997 Teaching Assistant in Economics, London School of Economics  
1994–1995 Teaching Assistant in Economics, Bocconi University, Milan

## Previous non-academic experience

1997-1998 Economist, Italian Antitrust Authority, Rome

## Honours and grants

2008 Prize “Ladislao Mittner”, Deutsche Akademischer Austausch Dienst (German Academic Exchange Service)  
2008 Research Fellowship „Paolo Baffi“, Bocconi University, Milan  
2004 Grant of FDIC’s Center for Financial Research (CFR) for the project “Market Power and Institutional Structures in Bank Merger Control: Cross-Country Evidence” (with Philipp Hartmann and Steven Ongena)  
2002 CEPR/European Summer Institute Prize for the Best Central Bank Research Paper (with Philipp Hartmann)

- 1998 - 1999    Scholarship, Ente ‘Luigi Einaudi’ for Monetary, Banking and Financial Studies, Rome
- 1997 - 1998    Research Grant, National Research Council, Rome
- 1995 – 1997    Bocconi University Fellowship, Milan
- 1993 - 1994    Romeo and Enrica Invernizzi Foundation, Fellowship for Postgraduate Studies
- 1993            Award to the Best Graduates, Bocconi University, Milan
- 1992            Scholarship, Exchange Student, Bocconi University, Milan

### **Professional activities**

Referee for *Journal of Finance*, *Review of Economic Studies*, *Review of Financial Studies*, *Journal of Financial Intermediation*, *Economic Journal*, *Review of Finance*, *Journal of Money, Credit and Banking*, *Journal of the European Economic Association*, *Journal of Public Economics*, *IMF Staff Papers*, *European Economic Review*, *Journal of Banking and Finance*, *Journal of Macroeconomics*, *International Journal of Industrial Organization*, *Scandinavian Journal of Economics*, *Research in Economics*, *Economic Notes*, *Schmalenbach Business Review*, *CESIFO Studies*, *Rivista di Politica Economica*

Member, International Assessment Board of the IRCHSS Government of Ireland Research and Senior Research Fellowship Projects in the Humanities and Social Sciences Scheme, 2010

Program Co-chair, Financial Intermediation Research Society (FIRS) conference on “Banking, Insurance and Intermediation”, Florence, 2010

Consultant for OECD, 2009

Co-organizer, 2009 UniCredit conference on Banking and Finance, Rome, December 2009

Program Committee, Financial Intermediation Research Society (FIRS) conference on “Banking, Corporate Finance, Asset Pricing and Intermediation”, Prague, 2009

Co-organizer, 2008 UniCredit conference on Banking and Finance, Vienna, November 2008

Co-organizer, “A Financial Stability Framework for Europe” conference, Center for Financial Studies and International Monetary Fund, Frankfurt, September 2008

Program Committee, Financial Intermediation Research Society (FIRS) conference on “Banking, Corporate Finance, Asset Pricing and Intermediation”, Anchorage, Alaska, 2008

Organiser of the Finance Department Seminar, University of Frankfurt, 2007 and 2008

Co-organizer, “Private versus Public Ownership of Financial Institutions” conference, Center for Financial Studies, Deutsche Bundesbank and Wharton Financial Institutions Center, Frankfurt, 2006

Associate Program Chair, Financial Intermediation Research Society (FIRS) conference on “Banking, Insurance and Intermediation”, Shanghai, 2006

Secretariat, ECB-CFS Research Network on “Capital Markets and Financial Integration in Europe,” 2005 and 2006

Program Committee, BWL-Tagung, Dresden, 2006

Program Committee, “European Economic Integration: Financial Development, Integration and Stability in Central, Eastern and South-Eastern Europe,” joint conference of the ECB-CFS Research Network on “Capital Markets and Financial Integration in Europe” and the Oesterreichische Nationalbank, Vienna, November 2005

Co-organizer, “Open Forum on Germany’s Banking System”, Center for Financial Studies and International Monetary Fund, Frankfurt, 2005

Associate Program Chair, Financial Intermediation Research Society (FIRS) conference on “Banking, Insurance and Intermediation”, Capri, 2004

Organiser of the Department Seminar, University of Mannheim, 2001-2003

Member of the American Finance Association, Western Finance Association, European Finance Association, German Economic Association, German Finance Association

### **Teaching experience**

- 2009            Ph.D. course on “Financial Crises”, European University Institute
- 2008            Seminar on “Economics of Banks” University of Frankfurt
- 2007            Seminar on “Financial Crises: Theory and Cases,” University of Frankfurt
- 2006            “Microeconomics of Banking,” Master programme, Tor Vergata University, Rome
- 2000 – 2004    Assistant Professor at the Chair of Economic Theory of Prof. Martin Hellwig for the following courses:
- Financial Markets with Imperfect Information (in German)
- Financial Institutions with Imperfect Information (in German)
- Seminar on “Banking Stability” (in German)
- Seminar on “Financial Crises” (in German)
- 1999 – 2000    Exercises in Principles of Finance, London School of Economics
- 1995 - 1997    Exercises in Intermediate Economics, London School of Economics
- 1994 - 1995    Exercises in Macroeconomics, Master in Economics, Bocconi University, Milan
- 1994 - 1995    Exercises in Economics I, Bocconi University, Milan

### **Publications in refereed journals**

- “Financial Crises: Theory and Evidence” (with Franklin Allen and Ana Babus), *Annual Review of Financial Economics*, forthcoming
- “Credit Market Competition and Capital Regulation” (with Franklin Allen and Robert Marquez), *Review of Financial Studies*, forthcoming
- “Interbank Market Liquidity and Central Bank Intervention” (with Franklin Allen and Douglas Gale), *Journal of Monetary Economics*, forthcoming
- “Mark-to-Market Accounting and Cash-in-the-Market Pricing” (with Franklin Allen), *Journal of Accounting and Economics*, 45(2-3), August 2008, 358-378
- “Multiple-bank Lending: Diversification and Free-riding in Monitoring” (with Vittoria Cerasi and Sonja Daltung), *Journal of Financial Intermediation*, 2007, 16, 425-451
- “Bank Mergers, Competition and Liquidity” (with Philipp Hartmann and Giancarlo Spagnolo), *Journal of Money, Credit and Banking*, 2007, 39(5), 1067-1107
- “Credit Risk Transfer and Contagion” (with Franklin Allen), *Journal of Monetary Economics*, 2006, 53, 89-111
- “The Privatization of Italian Savings Banks – A Role for Germany?” (with Hendrik Hakenes and Isabel Schnabel), *DIW Quarterly Journal for Economic Research (Vierteljahrshefte zur Wirtschaftsforschung)*, 2005, 74, 32-50
- “The Structure of Bank Relationships, Endogenous Monitoring and Loan Rates” *Journal of Financial Intermediation*, 2004, 13, 58-86

### **Book chapters**

- “Regulation and Competition Policy in the Banking Sector” (with Xavier Vives), in X. Vives (ed.), *Competition Policy in Europe, Fifty Years of the Treaty of Rome*, Oxford University Press, 2009
- “The Roles of Banks in Financial Systems” (with Franklin Allen), in A. Berger, Phil Molyneux, J. Wilson (eds), *Oxford Handbook of Banking*, Oxford University Press, forthcoming

“Competition and Regulation in Banking” in A. Boot and A. Thakor (eds.), *Handbook in Financial Intermediation*, Elsevier, North Holland, 2008

“Competition and Stability: What’s Special about Banking?” (with Philipp Hartmann), in P. Mizen (ed.), *Monetary History, Exchange Rates and Financial Markets: Essays in Honour of Charles Goodhart*, vol. 2, Cheltenham: Edward Elgar, 2003, 202-229

“Competition, Regulation and Stability” in M. Polo (ed.), *Industria Bancaria e Concorrenza*, Il Mulino, Bologna, (in Italian), 2000, 67-136

### **Other publications**

“Should Financial Institutions Mark to Market?” (with Franklin Allen), *Banque de France Financial Stability Review*, 12, October 2008, 1-6.

“The Role of Liquidity in Financial Crises” (with Franklin Allen), forthcoming in *Maintaining Stability in a Changing Financial System*, Federal Reserve Bank of Kansas City’s 2008 Economic Symposium proceedings

“Banks, Markets and Liquidity” (with Franklin Allen), *The Structure and Resilience of the Financial System*, Reserve Bank of Australia’s 2007 Conference proceedings, 2007, 201,218

“Kapitalregulierung von Banken und Systemische Risiken im Lichte von Basel II” 2007, (with Jan Pieter Krahenen), *Zeitschrift für das gesamte Kreditwesen*, 8-2007, 374-376

“Cross-border banking and competition policy” (with Philipp Hartmann and Steven Ongena), *European Central Bank Research Bulletin*, 2006, 4, 7-10

“Bank Competition and the Role of Regulation” (with Franklin Allen and Robert Marquez), in *The Art of the Loan in the 21<sup>st</sup> Century, Producing, Pricing, and the Regulation Credit*, Proceedings of the 41<sup>st</sup> Annual Conference on Bank Structure and Competition, Federal Reserve Bank of Chicago, 2005, 121-123

“Bank Mergers, Competition and Liquidity” (with Philipp Hartmann and Giancarlo Spagnolo), in *Corporate Governance: Implications for Financial Services Firms*, Proceeding of the 39<sup>th</sup> Annual Conference on Bank Structure and Competition, Federal Reserve Bank of Chicago, 2003, 89-99

“Implications of the Bank Merger Wave for Competition and Stability” (with Philipp Hartmann and Giancarlo Spagnolo), in *Risk Measurement and Systemic Risk*, Proceedings of the Third Joint Central Bank Research Conference (Board of Governors of the Federal Reserve System, Bank of Japan, European Central Bank), 2002, 38-50

“The Milk Quotas Dilemma: Which Balance between Competition and Efficiency?” (with Daniela Giangulio), *Meridiana* (in Italian), 1998, 32

### **Working papers**

“Financial Connections and Systemic Risk” (with Franklin Allen and Anna Babus)

“No Finance, No Growth? The African Experience” (with Franklin Allen, Robert Cull, Jun Qian, and Lemma Sembet)

“The Economic Impact of Merger Control” (with Philipp Hartmann and Steven Ongena)

“Stakeholder Capitalism, Corporate Governance, and Firm Value” (with Franklin Allen and Robert Marquez)

“Competition and Financial Markets”

“Bank Moral Hazard and Market Discipline,” *Financial Markets Group Discussion Paper 326*, London School of Economics

### **Work in progress**

“Competition Control and the Valuation of Bank Mergers” (with Giancarlo Spagnolo and Steven Ongena)

### **Conference presentations (selected)**

- ACE workshop, Fondazione Mattei, Milan, 2009
- HKUST conference on “Global Market Integration and Financial Crises”, Hong Kong, 2009
- Fed New York conference on “Central Bank Liquidity Tools”, New York, 2009
- OECD, Paris, 2009
- Carnegie Rochester conference on Public Policy on “Distress in Credit Markets: Theory, Empirics and Policy”, Pittsburgh, 2008
- Federal Reserve Bank of Kansas City’s Economic Symposium on “Maintaining Stability in a Changing Financial System,” Jackson Hole, 2008
- Bundesbank Spring Conference, Eltville, 2008
- IESE conference on “Fifty Years of the Treaty: Assessment and Perspectives of Competition Policy in Europe”, Barcelona, 2007
- 2<sup>nd</sup> Conference on “Banking Regulation – Integration and Financial Stability,” Mannheim, 2007
- 2007 Reserve Bank of Australia conference on “Financial System: Structure and Resilience,” Sidney (co-author presented)
- 2007 NBER/*Review of Financial Studies* Workshop on Corporate Governance (co-author presented)
- Bank of Portugal conference on “Bank Competition: Financial Stability and Regulatory Implications,” Porto, 2007 (co-author presented)
- Sixth BIS annual conference on “Financial System and Macroeconomic Resilience,” Brunnen, 2007 (co-author presented)
- Second European Conference on Financial Regulation and Supervision, “Finlawmetrics; Finance, Law and Data,” Milano, 2007 (co-author presented)
- Croatian National Bank Dubrovnik Economic Conference, Dubrovnik, 2007 (co-authored presented)
- ECB-CFS Network conference on “Financial Integration and Stability,” Madrid, 2006 (co-authored presented)
- Journal of Financial Intermediation* and World Bank conference on “Bank Regulation and Corporate Finance: Challenges for the Future,” Washington, 2006
- 2006 *Journal of Accounting & Economics* conference on “Corporate Governance: Financial Reporting, Internal Control, and Auditing,” Kellogg School of Management, Evanston, Illinois, 2006 (co-author presented)
- New York Fed/Wharton/*Review of Financial Studies* conference on “Corporate Finance of Financial Institutions,” Philadelphia, 2006
- UNC-Duke Corporate Finance Conference, Chapel Hill, 2006 (co-author presented)
- 2006 Summer Research Conference at the Indian School of Business (co-author presented)
- University of Johannesburg conference on “Adding Value in the Financial World,” Sun City, 2006 (co-authored presented)
- Third Annual DG ECFIN Research conference on “Adjustment Under Monetary Unions: Financial Market Issues,” Brussels, 2006 (co-author presented)
- Sveriges Riksbank conference on “The Governance of Central Banks,” Stockholm, 2006
- Federal Reserve Bank of Atlanta conference on “Modern Financial Institutions, Financial Markets and Systemic Risk,” Atlanta, 2006 (co-author presented)
- Ente Luigi Einaudi conference, Rome, 2005
- CEPR/ESF/Ministry of Economy, Finance and Industry conference on “The Effectiveness of Competition Policy: Issues and Methods,” Paris, 2005

Econometric Society, North American Meetings, 2005

FIRS conference on “Banking, Insurance and Intermediation”, Capri, 2004; Shanghai, 2006; Anchorage, 2008 (co-author presented); Prague, 2009

FDIC workshop on bank regulation in Washington, 2004

FMG Research Students: a Retrospective, London, 2004 (co-author presented)

ECB-CFS Symposium on “Capital Markets and Financial Integration in Europe”, 2004

Federal Reserve Bank of Chicago, “Bank Structure Conference”, 2003 and 2005 (co-author presented)

CEPR/Fundacion BBVA Conference on “Will Universal Banking Dominate or Disappear?,” Madrid, 2002

CEPR/Studienzentrum Gerzensee European Summer Symposium in Financial Markets, 2002, 2005 and 2006 (evening sessions)

CEPR/ESI Annual Conference on “Regulatory Challenges for European Financial Markets,” Vienna, 2002

German Finance Association Meetings 2002

European Economic Association Meetings 2002 and 2003

European Finance Association Meetings 2002, 2004, 2006 and 2007

Launching Workshop of the ECB-CFS research network on “Capital Market and Financial Integration in Europe”, Frankfurt, 2002

Third Joint Central Bank Research Conference on “Risk Measurement and Systemic Risk,” Basel, 2002

Association Finance-Sur-Seine Conference on “Bank Competition and Bank-Firm Relationships,” Paris, 2002

Charles Goodhart’s Festschrift, Bank of England/FMG, London, 2001

New York Fed/*Journal of Financial Intermediation*/Stern Business School Conference on “Corporate Governance in the Banking and Financial Services Industries,” 2001

Verein für Socialpolitik Annual Meetings, 2001 and 2002

Econometric Society, European Meetings, 2001 and 2002

CEPR/Bank of Finland Conference on “Moral Hazard Issues in Banking,” Helsinki, 2001

CEPR/Institut d’Anàlisi Econòmica Workshop on “Banking and Financial Markets”, Barcelona, 1999

CEPR/Bank of Finland Conference on “The Future of the Financial Services Industry and New Challenges for Supervision,” Helsinki, 1999

Bocconi University/SUERF Conference on “Market Approach to Financial Stability: A Role for Deposit Insurance?,” Milan, 1999

Ente ‘L. Einaudi’/Bank of Italy Conference on “Competition in the Banking Industry,” Rome, 1998

### **Seminar presentations**

Bank of England, Bruegel Institute, European Central Bank, European University Institute, Federal Reserve Bank of New York, Bank of England, International Monetary Fund, Italian Antitrust Authority, George Washington University, HEC, University of Zurich University, Tilburg University, University of Mannheim, University of Frankfurt, Tübingen University, Max Planck Institute for Research on Collective Goods, Carlos III Madrid, Bocconi University, University of Salerno, Financial Markets Group, London School of Economics, Bologna University, Ente ‘Luigi Einaudi’ Rome, Unicredit Group

### **Discussions at conferences**

Banque de France and Bundesbank conference on “The macroeconomy and the Financial sector in Normal Times and Times of Stress”, Paris, 2009

FIRS conference on “Banking, Insurance and Intermediation”, Prague, 2009

2<sup>nd</sup> Conference on “Banking Regulation – Integration and Financial Stability,” Mannheim, 2007

European Finance Association Meetings, 2004 and 2007

CFS Conference on “Risk Transfer between (Re-)Insurers, Banks and Markets”, Frankfurt, 2005

DIW Berlin/JFI/Federal Reserve Bank of Philadelphia Conference on “Bank Relationships, Credit Extension, and the Macroeconomy”, Berlin, 2005

CEPR/National Bank of Belgium/ECB-CFS Research Network Conference on “Competition, Stability and Integration in European Banking”, Brussels, 2005

Econometric Society, North American Meetings, Philadelphia, 2005

LEFIC Conference on “Integrated Cross-Border Banking: Issues in Implementation, Regulation and Supervision”, Copenhagen, 2004

Riksbank Workshop in “Banking, Financial Stability and the Business Cycle”, Stockholm, 2004

CEPR/Fundacion BBVA Conference on “Competition Policy and Regulation in International Markets,” Madrid, 2003

Launching Workshop of the ECB-CFS research network on “Capital Market and Financial Integration in Europe”, Frankfurt, 2002

### **Personal information**

Italian citizenship, one son

Fluent in English and German