PROFESSIONAL TRAINING COURSE

FLORENCE SCHOOL OF BANKING AND FINANCE

EMPIRICAL METHODS IN BANKING AND POLICY EVALUATION

Instructor:
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Teaching Associate:
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Sala del Consiglio

Villa Salviati, Via Bolognese 156 - Florence

15 - 17 May 2019

PROGRAMME

15 May

13.15 - 13.30    Welcome Coffee

13.30 - 14.00    Welcome introduction and presentation of the School followed by a tour de table

14.00 - 15.30    Session 1. Introduction

• Empirical Banking

• Evaluation of Banking Regulation

15.30 - 16.00    Coffee break

16.00 - 17.30    Session 2. Duration Analysis and Applications

• Duration models

• Modelling of survival and duration of bank-firm connections

19.30    Dinner
16 May

09.30 - 11.00  Session 3. Event Study Methodology and Applications
   - Event study methodology
   - Loan, bank distress and merger, and regulatory announcements

11.00 - 11.30  Coffee break

11.30 - 13.00  Session 4. Matching
   - Exact versus propensity score matching
   - Loan terms when firms switch banks

13.00 - 14.00  Lunch

14.00 - 15.30  Session 5: Difference-in-Differences (Part 1)
   - Difference in differences methodology
   - The impact of changes in collateral regulation

15.30 - 16.00  Coffee break

16.00 - 17.30  Practical Session 1: Analyzing Panel Data in STATA (Part 1)
   Matteo Gatti
   - Clustering
   - Probit models
   - Fixed effects with an application to banks' credit lines
     ◦ xtreg command

17.30 - 19.30  Guided Tour on the history of banking and finance in Florence

17 May

09.30 - 11.00  Session 6: Difference-in-Differences (Part 2)
   - Application: Dynamic provisioning and its impact
   - Application: EBA capital exercise and impact

11.00 - 11.30  Coffee break

11.30 - 13.00  Session 7: Difference-in-Differences (Part 3)
• Application: Changes in leverage taxation and its impact

13.00 - 14.00 Lunch

14.00 - 15.30 Session 8: More Elements of an Identification Strategy
  • Risk-taking channel of monetary policy
  • Two-step model, interactions, fixed effects

15.30 - 16.00 Coffee break

16.00 - 17.15 Practical Session 2: Analyzing Panel Data in STATA (Part 2)
Matteo Gatti
  • Fixed effects with an application to banks’ credit lines
    o areg command
  • The reghdfe command by Sergio Correia
  • Diff-in-diff exercise with an application to banks’ credit lines

17.15 - 17.30 Closing remarks