

GERARD CAPRIO, JR.

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EXPERIENCE

Williams College, January 2006-
Professor of Economics Williams College
Chair, Center for Development Economics, Williams College, July 2006-

The World Bank, 1988 to 2005
Director, Operations and Policy Department, Financial Sector Vice Presidency.
Previously, jointly held the above and served as Head, Financial Sector Research, Development Research Group, 1998- 2003, and prior to that, Head, Financial Sector Research, Development Research Group.

Lead Economist, 1995-1997; Principal Financial Economist, 1993-1995, and Senior Financial Economist, Policy Research Department, 1988-92.

Morgan Guaranty Trust Company, 1985 to 1988.
Vice President and Head, Global Economics Unit, 1988.
Vice President and International Economist, August 1985 to December 1987.

The Board of Governors of the Federal Reserve System, 1977 to 1985.
Economist, Division of International Finance

George Washington University, 1980-83
Visiting Adjunct Professor

International Monetary Fund, 1976-77
Economist, Economic Professionals Program

EDUCATION

University of Michigan (Ann Arbor)
Ph.D., Economics (1976)
M.A., Economics (1974)
Areas of Specialization: International Economics, Economic Development, Macroeconomics.

Williams College
B.A., Economics, 1972, cum laude, with highest honors in economics.

LANGUAGES

Spanish, French (reading).

PROFESSIONAL ACTIVITIES

Co-Editor, Journal of Financial Stability;
Member, Advisory Board, *The Financial Regulator*
Member, Steering Committee, FinLawMetric: Annual Conference on Finance,
Law and Data, Bocconi University
Advisory Board, Global and Entrepreneurial Finance Research Institute, George
Washington University.

Referee for: American Economic Review, Journal of Economic Literature,
Journal of International Economics, Journal of Comparative Economics, Journal
of Money, Credit, and Banking, Economic Record, Economica, Journal of
Finance, Journal of Development Economics, Journal of Financial Stability,
World Development, World Bank Economic Review, and World Bank Research
Observer.

Contributor (formerly, founder and co-editor) of *Interest Bearing Notes*, a bi-
monthly electronic newsletter on financial sector research, which is posted on the
web and received by over 5000 regular subscribers.

Consultant, The World Bank; The International Monetary Fund.

Expert Witness, Dechert LLP.

HONORS:

- ❖ Delivered the 2005 Maxwell Fry Lecture at the University of Birmingham.
- ❖ Number 1 paper of the all-time top 25 articles in the Journal of Financial Intermediation 2004, 2005.
- ❖ Several papers on bank regulation and financial reform regularly on the 'top-10' list at the Social Science Research Network for downloads in various categories.
- ❖ 1999 World Bank Performance Award for outstanding research and research management.

BOOKS

Authored works:

Rethinking Bank Regulation: Till Angels Govern, Cambridge University Press 2006
(with James Barth and Ross Levine).

Finance for Growth: Policy Choices in a Volatile World, Oxford University Press, May
2001 (with Patrick Honohan).

Edited Volumes:

Cross-Border Banking: Regulatory Challenges, edited with Douglas Evanoff and George Kaufman, Singapore: World Scientific Press, 2006

Financial Crises: Lessons from the Past, Preparation for the Future, edited with James A. Hanson and Robert Litan, Washington, DC: The Brookings Institution, 2005.

The Future of State-Owned Financial Institutions, edited with Jonathan Fiechter, Robert Litan, and Michael Pomerleano, Washington, DC: The Brookings Institution, 2004.

Financial Sector Policy for Developing Countries: A Reader, edited with Patrick Honohan and Dimitri Vittas, The World Bank, Fall 2002.

Financial Liberalization: How Far, How Fast? edited with Patrick Honohan and Joseph Stiglitz, Cambridge University Press, 2001. Also, chapter therein on “The Case for Liberalization and Some Drawbacks,” with James Hanson.

Preventing Bank Crises: Lessons from Recent Global Bank Failures, edited with William C. Hunter, George G. Kaufman, and Danny M. Leipziger, The World Bank, September, 1998

Reforming Financial Systems: Historical Implications for Policy, edited with Dimitri Vittas, Cambridge University Press, May 1997.

Financial Reform: Theory and Experience, with Izak Atiyas, James Hanson, et al., Cambridge University Press, 1994.

Building Sound Finance in Transitional Economies, edited with David Folkerts-Landau and Timothy Lane, International Monetary Fund, 1994.

Monetary Policy Instruments for Developing Countries, edited with Patrick Honohan, World Bank Press, 1991.

PAPERS

“The 2007 Meltdown in Structured Securitization: Searching for Lessons not Scapegoats,” with Asli Demirguc-Kunt and Edward Kane. Paper to be presented at World Bank Conference on Risk Management, October, 2008.

“Banking Crises,” with Patrick Honohan, forthcoming in Allan Berger, Philip Molyneux, and John Wilson, eds, The Oxford Handbook of Banking, Oxford University Press, 2008.

“Reassessing the Rationale and Practice of Bank Regulation and Supervision After Basel II,” with James Barth and Ross Levine, forthcoming in *Current Developments in Monetary and Financial Law*, Volume 5, 2008.

“Comparative International Characteristics of Banking,” with James Barth, Ross Levine, and Dan Nolle, forthcoming, Bank of England conference proceedings, 2008.

“ Changing Bank Regulation: For Better or For Worse,” with James Barth and Ross Levine, forthcoming *Comparative Economic Studies*, Summer 2008.

"China's Financial System: The Perils of Riding the Wave," with James Barth, *Milken Review*, Volume 9, Number 3, Third Quarter, 2007.

“The Great Innumeracy Epidemic,” *The Financial Regulator*, Volume 11, No. 4, March 2007.

“Governance and Bank Valuation,” with Luc Laeven and Ross Levine, *Journal of Financial Intermediation*, Volume 16, No. 4, October 2007.

“The Microeconomic Effects of Different Approaches to Bank Supervision,” in Stephen Haber, Douglas North, and Barry Weingast, "Economics, Politics, Institutions, and Financial Markets," Stanford University Press, 2007 (with James Barth and Ross Levine).

“Bank Regulation and Supervision,” with James Barth and Ross Levine, Central Bank of Turkey, Financial Stability and the Implications of Basel II, June 2006.

“Banking Crisis Database,” with Daniela Klingebiel, Luc Laeven, and Guillermo Noguera, in Patrick Honohan and Luc Laeven, Systemic Financial Crises, Cambridge University Press, 2005

“Bank Regulation: What Really Works,” with James Barth and Ross Levine, *Milken Review*, September, 2005.

“Starting Over Safely: Rebuilding Banking Systems’ with Patrick Honohan. In Gerard Caprio, Jr., James A. Hanson and Robert Litan, editors, Financial Crises: Lessons from the Past, Preparation for the Future, The Brookings Institution, 2005.

“Banking regulation: shadow views,” *Journal of Financial Stability*, December 2004.

“Bank Regulation and Supervision: What Works Best,” with Ross Levine and James Barth, *Journal of Financial Intermediation*, Vol. 12, April, 2004, pp 205-248.

“Comparative International Characteristics of Banking,” with James Barth and Daniel E. Nolle, Economic and Policy Analysis Working Paper 2004-1, Office of the Comptroller of the Currency (Jan. 2004). Also published in A Companion to International Business Finance, Raj Aggarwal (ed.), Blackwell Publishing, Inc. (Massachusetts), 2004.

“Can the Unsophisticated Market Provide Discipline,” with Patrick Honohan, in Market Discipline: The Evidence across Countries and Industries, C. Borio, W. Hunter, G. Kaufman and Kostas Tsatsaronis, editors, 2004, MIT Press.

“Corporate Governance in Finance: Concepts and International Observations,” with Ross Levine, in Robert E. Litan, Michael Pomerleano and V. Sundararajan, Financial Sector Governance: The Roles of the Private and Public Sectors (The Brookings Institution Press, Fall 2002).

“Banking Policy and Macroeconomic Stability: An Exploration,” with Patrick Honohan, World Bank Policy Research Working Paper, June 2002, and in William C. Hunter and George Kaufman, Asset Price Bubbles 2003.

“A ‘Cookie-Cutter’ Approach Is the Wrong Way for Countries to Regulate and Supervise Banks,” (with James Barth and Ross Levine), *Capco Institute Journal*, 2002.

“Reducing the Cost of Bank Crises: Is Basel Enough?” with Patrick Honohan, forthcoming in Max Fry Festschrift, David Dickinson and Eddie George, eds., Managing Money in the Economy (London: Routledge, Feb 2002.)

“Choices and Lessons for Bank Regulation and Supervision from a New Cross-Country Database,” with Ross Levine and James Barth, *The Financial Regulator*, December, 2001.

“Bank Regulation and Supervision: A New Database,” with James Barth and Ross Levine, in Robert Litan and Richard Herring, eds., *Brookings-Wharton Papers on Financial Services*, 2001.

“Banking Systems Around the Globe: Do Regulation and Ownership Affect Performance and Stability?” With James Barth and Ross Levine, Prudential Regulation and Supervision: What works and what doesn’t, National Bureau for Economic Research, 2001.

“Avoiding Disaster: Policies to Reduce the Risk of Banking Crises,” with Maria Soledad Martinez Peria. Egyptian Center for Economic Studies Working Paper No. 47.

“Financial Fragility and Mexico’s 1994 Peso Crisis: An Event-Window Analysis of Market Valuation Effects,” with Berry Wilson, *Journal of Money, Credit, and Banking*, August 2000.

“Bank Privatization and Regulation for Egypt,” with Robert Cull, Egyptian Center for Economic Studies, *Distinguished Lecture Series*, no. 15, August 2000.

“Does Financial Reform Raise or Reduce Savings,” with Oriana Bandiera, Patrick Honohan, and Fabio Schiantarelli, *Review of Economics and Statistics*, January, 2000.

“Mexico's Financial Sector Crisis: Propagative Links to Devaluation,” with Berry Wilson and Tony Saunders, *The Economic Journal*, January 2000.

“Moral Hazard and Reform of the Government Safety Net: A Comment” in Lessons from Recent Global Financial Crises, William C. Hunter and George Kaufman, editors, 2000.

Beyond Capital Ideals: Restoring Banking Stability, with Patrick Honohan, *Journal of Economic Perspectives*, 1999, and reprinted in *The South African Journal of Economics*, vol. 68, (1), March 2000.

“Financial Regulation and Performance: Cross-Country Evidence,” with James Barth and Ross Levine, forthcoming in Hernandez and Schmidt-Hebbel, eds. Banking, Financial Integration, and Macroeconomic Stability, 2000.

“Systemic Risk, Contagion, and the Asian Financial Crisis,” with Philip Bartholomew, in James Barth and Dan Brumbaugh, eds, Restructuring Regulation and Financial Institutions, Milken Institute, 1999.

“Banking on Crises: Expensive Lessons of Financial Crises,” World Bank Policy Research Working Paper , September 1998, and in George Kaufman, ed., *Research in Financial Services*, volume 10, 1999.

“On Not Putting All the Eggs in One Basket: the Role of Diversification in Banking,” with Berry Wilson, presented at the World Bank-IMF Annual Meetings Seminar on Building Robust Financial Systems, September, 1997.

“Bank Regulation: The Case of the Missing Model,” in Alison Harwood and Bruce L.R. Smith, eds, Sequencing? Financial Strategies for Developing Countries, Brookings Institution Press, July 1997.

“Role of Credit in Small and Medium Enterprise Exports: the Case of Mercosur,” with Margaret Miller, Economic Notes, number 21, Latin America and Caribbean Region, The World Bank, June 1997.

“The Role of Long Term Finance: Theory and Evidence,” with Asli Demirguc-Kunt, Policy Research Working Paper number 1746, April 1997, *World Bank Research Observer*, May 1998.

“The Importance of the Financial System For Development: Implications for Egypt,” with Stijn Claessens, Distinguished Lecture Series number 6, Egyptian Center for Economic Studies, April 1997.

“Safe and Sound Banking in Developing Countries: We’re Not in Kansas Anymore,” World Bank Policy Research Working Paper 1739, March 1997, and in FDICIA: Bank Reform Five Years Later and Five Years Ahead, JAI Press, December 1997.

“The Case for Narrow Banking: A comment,” in Preventing Banking Sector Distress and Crises in Latin America, Suman Bery and Valeriano Garcia, eds., World Bank Discussion Paper No. 360. March 1997.

“Bank Insolvency: Bad Luck, Bad Policy, or Bad Banking?” with Daniela Klingebiel, paper presented at the 1996 Annual Bank Conference on Development Economics, *World Bank Economic Review*, January 1997.

“The Lender of Last Resort Function Under a Currency Board: The Case of Argentina,” with Michael Dooley, Danny Leipziger, and Carl Walsh, in the *Open Economies Review*, 7: pp. 617-42, July 1996.

“Bank Insolvencies: Cross Country Experience,” with Daniela Klingebiel, Policy Research Discussion Paper number 1620, July 1996; updated, April 2000.

"Financial Reform in Developing Countries: a case of the missing model?" in Bruce Smith and Alison Harwood, eds. Sequencing Financial Reform, The Brookings Institution, 1997, and Policy Research Discussion Paper 1574, January 1996.

"Financial Reform: Beyond Laissez Faire," with Lawrence H. Summers, in Stability of the Financial System, edited by Dimitri Papadimitriou, MacMillan Press 1996 (earlier version as World Bank Policy Research Working Paper 1171, August 1993).

“Financial Regulation and Financial Reform in Africa,” paper presented before at the Conference of Sub-Saharan Central Banks, September 1995, and in the eponymous volumes by the Economic Development Institute.

“Governing the Global Economy: International Finance and the Role of the State: A Review,” *Journal of Economic Literature*, June 1996.

"The Role of Financial Intermediaries in Transitional Economies," *Carnegie-Rochester Conference on Public Policy*, June 1995.

"The Role of Financial Intermediaries During Asset Deflations: a comment," in Portfolio Flows to Developing Countries," Constantijn Claessens and Shan Goopta, editors, The World Bank, 1994.

"Financial Reform in Transitional Socialist Economies: Avoiding the Path from Shell Money to Shell Games," with Ross Levine, Policy Research Discussion Paper 898, April 1992, and *World Bank Research Observer*, January 1994.

"Financial Reform: Lessons and Strategy," in Financial Sector Reforms in Asian and Latin American Countries: Lessons of Comparative Experience, edited by Shakil Faruqi, Economic Development Institute, The World Bank, 1993.

"Excess Liquidity and Monetary Overhangs," with Patrick Honohan, *World Development*, March 1993. A variant of this paper won an *Honorable Mention* in the 1990 *Amex Bank Review Essay Competition*.

"Policy Uncertainty, Asymmetric Information, and Financial Intermediation," Policy Research Discussion Paper 853, February 1992.

"The Use of Market Instruments for Monetary Policy," with Patrick Honohan, published in Caprio and Honohan (1991, above) and as Policy, Research, and External Affairs Working Paper 528, October 1990, The World Bank.

"Reforme du Secteur Financier et Processus d'Ajustement," with Patrick Honohan, in *Techniques Financieres et Developpement*, June 1991.

"Financial Sector Adjustment Lending: A Preliminary Assessment," with Patrick Honohan, World Bank Policy Paper, April 1991.

"The Role of Foreign Direct Investment in Financing Developing Countries," World Bank Policy Paper, July 1989 (with Alan Gelb and Melanie Johnson).

"Global Capital Markets: Issues and Implications," with Rimmer de Vries, The Marcus Wallenberg Papers on International Finance, Volume 1, Number 4, 1986.

"Domestic Saving, Current Accounts, and International Capital Mobility," with David H. Howard, International Finance Discussion Paper number 244, The Board of Governors of the Federal Reserve System, July 1984.

"Oil Price Shocks in a Portfolio Balance Model," with Peter B. Clark, *Journal of Economics and Business*, 35, June 1983.

"Deficit Saving Ratios as Indicators of Interest Rate Pressure: A Collection of Notes," with Dale W. Henderson, P. Hooper, R. Lubitz, and S. Symansky, International Finance Discussion Paper number 234, The Board of Governors of the Federal Reserve System, December, 1983.

"The Swedish Economy in the 1970s: the Lessons of Accommodative Policies," International Finance Discussion Paper number 205, The Board of Governors of the Federal Reserve System, May 1982.

Author of various articles on international finance and macroeconomics in World Financial Markets, 1985-88. Contributor to World Bank Country Reports: authored chapters in numerous reports on Argentina, Philippines, Vietnam, Romania, Rwanda, Tunisia; contributed the lead-off chapter (on the role of finance) for the 1989 World Development Report on Financial Systems and Economic Development.

Selected Presentations:

"The Design and Governance of Bank Supervision," presented at the Riksbank Conference on Central Bank Governance, August 31-September 1, 2006.

"Banking on Basel?" presented at the Korea Development Institute conference, "Adopting the New Basel Accord: Impact and Policy Responses of Asian-Pacific Developing Countries, and forthcoming in the eponymous volume, July, 2006.

"Rethinking Bank Regulation," presentations at the Korea Deposit Institute, the Bank of Korea, The Korea Financial Supervisory Service, and the Korea Institute of Finance, July 2006.

"Till Angels Govern," presented at the Office of the Comptroller of the Currency (June, 2006) and at the World Bank Course on Overview of Financial Sector Issues (October, 2006).

"Overview," Presented at World Bank/Journal of Financial Intermediation Conference on Conference on Bank Regulation and Corporate Finance.

"Finance for Growth," presented at universities, central banks, and government agencies in Tokyo, Shanghai, Beijing, Sydney, Melbourne, Adelaide, Hanoi, Santiago, Rio de Janeiro, Buenos Aires, and Cairo, May-July 2001, and was featured on CNN, CNBC, and Reuters.