Joint Seminar – Lending Concentration, Bank Performance and Systemic Risk: Exploring Cross-Country Variation

**Speaker:**
Professor Thorsten Beck  
Professor of Banking and Finance, Cass Business School, London  
Professor of Economics, Tilburg University, Netherlands  
Research Fellow, CEPR

**Date:**
23 September 2013, Monday

**Time:**
12.30 pm – 2.00 pm

**Chairperson:**
Dr Markus David Taussig

**Venue:**
Mochtar Riady Building  
Seminar Room, BIZ1 #03-02

**Abstract**
Using both market-based and annual report based approaches to measure lending specialization for a broad cross-section of banks and countries over the period 2002 to 2011, this paper is the first to empirically gauge the relationship between bank’s lending specialization and bank performance and stability in an international sample. Theory suggests that banks might benefit from specialization in the form of higher screening and monitoring efficiency, while a diversified loan portfolio might also enhance stability. We find that sectoral specialization increases volatility and systemic risk exposures, while not leading to higher returns. We also document important time, cross-bank, and cross-country variation in this relationship, which is stronger post 2007, for richer countries, for countries without regulatory requirements on diversification, for banks with lower market power and banks with more traditional intermediation models.

**About the Speaker**
Thorsten Beck is professor of banking and finance at Cass Business School in London and professor of economics at Tilburg University. He was the founding chair of the European Banking Center at Tilburg University from 2008 to 2013. He is also a research fellow of the Centre for Economic Policy Research (CEPR). Previously he worked in the research department of the World Bank and has also worked as consultant for – among others - the IMF, the European Commission, and the German Development Corporation. His research, academic publications and operational work have focused on two major questions: What is the relationship between finance and economic development? What policies are needed to build a sound and effective financial system? Recently, he has concentrated on access to financial services, including SME finance, as well as on the design of regulatory and bank resolution frameworks. In addition to numerous academic publications in leading economics and finance journals, he has co-authored several policy reports on access to finance, financial systems in Africa and cross-border banking. His country experience, both in operational and research work, includes Bangladesh, Bolivia, Brazil, China, Colombia, Egypt, Mexico, Russia and several countries in Sub-Saharan Africa. In addition to presentation at numerous academic conferences, including several keynote addresses, he is invited regularly to policy panels across Europe. He holds a PhD from the University of Virginia and an MA from the University of Tübingen in Germany.
**Enquiries**
For enquiries on our department seminars, please email Rasheeka at 6516-6723 or Woo Kim at 6516-4660.
For a full listing of seminars, please click [here](#).

Please note that attendance is compulsory for **ALL** S & P Dept PhD students.

*Lunch will be served at 12.00 noon at Staff Lounge.*

To start or discontinue receiving our bi-monthly newsletter, please log on to [https://groups.nus.edu.sg](https://groups.nus.edu.sg) to join or leave sp-seminar@groups.nus.edu.sg

---

BBA | BBA(Acc) | BBA Dual | MSc(Mgt) | MBA | NUS-Peking MBA | S^3^ Asia MBA | NUS-HEC Paris MBA | MBA-MPP/MPA
PhD-MBA | APEX-MBA (Eng) | APEX-MBA (Chi) | UCLA-NUS EMBA | MPAM | PhD | Exec Ed | Contact Us