MAXIMILIANO SAN MILLÁN

(+34) 697 944 432 ◇ maximiliano.san-millan@cemfi.edu.es
Casado del Alisal 5, 28014 Madrid, Spain
www.cemfi.es/∼sanmillan/

EDUCATION

Ph.D. in Economics, Centro de Estudios Monetarios y Financieros (CEMFI),
Expected Completion: June 2023.
M. Sc. in Economics and Finance, CEMFI, 2017-2019
Bachelor in Economics, Universidad Nacional de Tucumán (Argentina), 2011-2016 (*cum laude*)

DISSERTATION COMMITTEE

Prof. Javier Suarez (Advisor)
CEMFI
suarez@cemfi.es

Prof. Sebastian Fanelli
CEMFI
fanelli@cemfi.es

Prof. Rafael Repullo
CEMFI
repullo@cemfi.es

RESEARCH AND TEACHING FIELDS

Primary field: Banking
Secondary fields: Macroeconomics, Financial Economics.

RESEARCH PAPERS

Sectoral Credit Allocation, Capital Requirements and Financial Stability (**Job Market Paper**)

Banking crises are often preceded by large expansions in residential real estate credit. However, banks' prudential regulation imposes typically lower minimum equity-capital funding requirements on residential real estate lending than on corporate lending. This paper quantifies the consequences of regulatory designs that fail to take into account the macroprudential dimension of the growth in real estate lending. I develop a DSGE model in which banks intermediate real estate loans to households and corporate loans to firms and where abnormally high defaults in either of these sectors can make banks fail. Calibrated for the Euro Area, results show that capital requirements based on the default risk of individual exposures amplify the reallocation of credit towards the real estate sector in the path to banking crises. Distortions to the allocation of credit in the path to crises, as well as the frequency and severity of banking crises, can be better mitigated by sector-specific macroprudential buffers than by generic buffers such as the Countercyclical Capital Buffer (CCyB) of Basel III.

Optimal Capital Requirements and Financial Integration

This paper studies how to optimally set bank capital requirements when bank equity can be allocated across bank subsidiaries in different countries. To quantitatively address this question this paper develops a two-country DSGE model where banks and firms are protected by limited liability. The model is calibrated to match the observed volatility of credit of bank subsidiaries to firms in the Euro Area. Compared to a counterfactual economy in which there is financial autarky, financial integration creates diversification and specialization gains, but it also increases firm leverage as competitive banks obtain cheaper funding. Higher firm leverage amplifies the losses after real and financial shocks and hence the optimal level of capital requirements chosen by a global regulator rises compared to a situation of financial autarky, motivated purely by macroprudential factors. Importantly, results show that as long as there are diversification gains from financial integration, a global regulator would not try to restrict the activities of foreign subsidiaries. Instead, it is optimal to preserve bank capital at a consolidated level, without distorting the share of foreign lending in each country.

TEACHING EXPERIENCE

2020 Teaching Assistant for Prof. Dante Amengual, CEMFI, Mathematics (graduate level).

2020 Teaching Assistant for Prof. Sebastian Fanelli, CEMFI, International Finance (graduate level).

2019 Teaching Assistant for Prof. Dante Amengual, CEMFI, Mathematics (graduate level).

RELEVANT POSITIONS

2019-2022 Research Assistant for Prof. Enrique Sentana (Time Series Econometrics), CEMFI.

2016 Junior Analyst at the Electric Market Authority, Salta, Argentina.

2015-2016 Internship at Ministry of Production, Tucuman, Argentina.

SCHOLARSHIPS AND AWARDS

2019-2022 FPI Scholarship from the Spanish Ministry of Science.

2017-2019 Fundación Carolina Scholarship.

2015 First place - Annual Prize of Economic Research (joint with Mariana Kestelman) - Fundación Banco Municipal de Rosario, Argentina.

PROGRAMMING SKILLS

Matlab, Stata, R, LaTeX, Julia.

LANGUAGES

Spanish (native), English (fluent, C2), German (basic, B1).

CITIZENSHIP

Argentine, Spanish (expected soon).