

Date of the event:

On Thursday 10th February 2011
From 01:00 PM to 2:00 PM

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before February 7th, 2011
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following lunch seminar:

***Of Religion and Redemption:
Evidence from Default and Islamic
Loans***

*By Professor Steven Ongena
CentER – Tilburg University and CEPR*

**Thursday 10th February 2011
From 01:00 PM to 2:00 PM**



Of Religion and Redemption: Evidence from Default on Islamic Loans

By Steven Ongena

The **Luxembourg School of Finance**

Is pleased to invite you to the

LSF Seminar

We study default rates on conventional and Islamic loans using a comprehensive monthly dataset from Pakistan that follows more than 150,000 loans over the period 2006:04 to 2008:12. We find robust evidence that the hazard rate on Islamic loans is less than half the hazard rate on conventional loans. Across duration models we include a variety of loan contract, borrower, and bank characteristics, where possible combined with time, borrower, bank and/or borrower*bank fixed effects. In big cities Islamic loans default less likely if the share of religious parties increases, suggesting that religious motivation may determine loan default.

