



2015 RiskLab/BoF/ESRB Conference on Systemic Risk Analytics

23-25 September, 2015

Arcada University of Applied Sciences

Jan-Magnus Janssonin aukio 1, 00560 Helsinki Finland

Pre-conference workshop, Wednesday 23 September 2015

13:00–13:30 Registration & coffee

13:30–13:35 Opening remarks: **Kaj-Mikael Björk** (Head of Department of Business Management and Analytics, Arcada University of Applied Sciences)

13:35–16:00 Pre-conference workshop – session 1

Chair: **Peter Sarlin** (Hanken School of Economics, RiskLab Finland)

Markus Holopainen & Peter Sarlin

CrisisModeler: a tool for exploring crisis predictions

Stijn Ferrari & Mara Pirovano

Early warning indicators for banking crises: a conditional moments approach

Fuchun Li & Hong Xiao

Early warning for financial stress events: a credit-regime switching approach

Markus Behn, Marco Gross & Tuomas Peltonen

Assessing capital-based macroprudential policy using an integrated early warning GVAR model

16:00–16:30 Refreshments

16:30–18:30 Pre-conference workshop – session 2

Chair: **József Mezei** (Åbo Akademi University, RiskLab Finland, Arcada University of Applied Sciences)

Michela Rancan, Andrea Pagano & Marco Petracco Giudici

Cross border losses in the European banking sector

André Silva

Strategic complementarity in banks' funding liquidity choices and financial stability

Consuelo Silva-Buston

Systemic risk and competition: the bright side of bank concentration

18:30 End of pre-conference workshop

20:30– Get together



Day 1, Thursday 24 September 2015

8:00–9:00 Registration & coffee

9:00–9:05 Conference opening: **Seppo Honkapohja** (Member of the Board, Bank of Finland)

9:05–10:00 Keynote: **Philipp Hartmann** (Deputy Director General Research, European Central Bank)
Systemic risk research and macroprudential policy making: Where do we stand?

10:00–12:00 Session 1 – Systemic risk measurement

Chair: **Karlo Kauko** (Bank of Finland)

Federico Nucera, Bernd Schwaab, Siem Jan Koopman & André Lucas
The information in systemic risk rankings

Maarten R.C. van Oordt & Chen Zhou
Systemic risk and bank business models

Gunter Löffler & Peter Raupach
Pitfalls in the use of systemic risk measures

12:00–13:30 Lunch & poster session 1

13:30–14:00 Keynote: **Erkki Liikanen** (Governor, Bank of Finland)
The role of analysis in macroprudential policy

14:00–16:00 Session 2 – Contagion and interbank markets

Chair: **Jouko Vilmunen** (Bank of Finland)

Stefano Battiston, Marco D'Errico, Tuomas Peltonen & Martin Scheicher
Passing the hot potato: how does credit risk flow in the CDS market?

Tarik Roukny, Stefano Battiston & Joseph E. Stiglitz
Interconnectedness as a source of uncertainty in systemic risk

Monica Billio, Massimiliano Caporin, Roberto Panzica & Loriana Pelizzon
The impact of network connectivity on factor exposures, asset pricing and portfolio diversification

16:00–16:30 Refreshments & poster session 2

16:30–17:45 Session 3 – Big data

Chair: **Kaj-Mikael Björk** (Arcada university of Applied Sciences)

Rickard Nyman, David Gregory, Sujit Kapadia, Paul Ormerod, David Tuckett & Robert Smith
News and narratives in financial systems: exploiting big data for systemic risk assessment

Samuel Rönnqvist & Peter Sarlin
Detect & Describe: deep learning of bank stress in the news

17:45 End of day 1



Day 2, Friday 25 September 2015

8:00–9:00 Registration & coffee

9:00–10:00 Keynote: **Jon Danielsson** (Associate Professor of Finance, Director of the Systemic Risk Centre of the London School of Economics and Political Science)
On the nature of financial risk: Why risk is so hard to measure and why (systemic) risk models fail so often

10:00–12:00 Session 4 – Liquidity

Chair: **Jouni Timonen** (Bank of Finland)

Ben Craig, Dilyara Salakhova & Martin Saldias
Payment delays and contagion

Prasanna Gai & Sujit Kapadia
Liquidity hoarding, network externalities, and interbank market collapse

Marco van der Leij, Serafin Martinez-Jaramillo, Jose Luis Molina-Borboa & Fabrizio Lopez-Gallo
Liquidity hoarding in the interbank market: Evidence from Mexican interbank overnight loan and repo transactions

12:00–13:30 Lunch & poster session 3

13:30–14:30 Keynote: **Stefano Battiston** (Professor of Banking, University of Zurich)
The price of complexity in financial markets

14:30–16:00 Session 5 – Interconnectedness and networks

Chair: **Kimmo Virolainen** (Bank of Finland)

K. Anand, I. van Lelyveld, Á. Banai, S. Friedrich, R. Garratt, G. Halaj, B. Howell, I. Hansen, S. Martínez Jaramillo, H. Lee, J. L. Molina-Borboa, S. Nobili, S. Rajan, D. Salakhova, T. C. Silva, L. Silvestri & S. R. Stancato de Souza
The missing links: a global study on uncovering financial network structure from partial data

Iñaki Aldasoro & Ivan Alves
Multiplex interbank networks and systemic importance. An application to European data

16:00–17:30 Session 6 – Stress testing and market risk

Chair: **Virginie Traclet** (Bank of Canada)

Jill Cetina, Mark Paddrik & Sriram Rajan
A systemwide stress testing of the credit default swap market

Ekaterina Neretina, Cenkhan Sahin & Jakob de Haan
Banking stress test effects on returns and risks

Mark D. Flood, Philip Monin & Lina Bandyopadhyay
Gauging form PF. Data tolerances in regulatory reporting on hedge fund risk exposures

17:30–18:00 Refreshments & closing remarks

18:00 End of conference



Poster sessions

Poster session 1 – Systemic risk, prediction and policies

Jozsef Mezei & Peter Sarlin

RiskRank: Measuring interconnected risk

David Aikman, Michael Kiley, Seung Jung Lee, Michael Palumbo & Missaka Warusawitharana

Mapping heat in the U.S. Financial system

William Abel & Laura Silvestri

An empirical analysis of network reconstruction methods using UK CDS networks

Christoph Siebenbrunner, Michael Sigmund & Stefan Kerbl

Estimating network contagion with limited data

Poster session 2 – Shadow banking, financial markets and financial market infrastructure

Frank Hespeler & Giuseppe Loiacono

Monitoring systemic risk in the hedge funds sector

Alejandro Bernales & Mario di Filippo

The information contained in money market interactions: unsecured vs. Collateralized lending

Paolo Giudici & Laura Parisi

Modeling sovereign risk with correlated stochastic processes

Poster session 3 – Systemic risk, competition and contagion

Jingnan Chen, Mark D. Flood & Richard B. Sowers

Uncertainty quantification and the certification problem: an application to financial stress testing

Aurélien Leroy & Yannick Lucotte

Is there a competition-stability trade-off in European banking?

Julien Idier & Thibaut Piquard

Pandemic in financial systems and liquidity emergency

Grzegorz Halaj, Tuomas Peltonen & Martin Scheicher

Default events and evolution of CDS market structure

Patrik Kouontchou, Alejandro Modesto & Bertrand Maillet

When unity makes strength: a systemic risk index