2016 RiskLab/BoF/ESRB Conference on Systemic Risk Analytics

5–7 October 2016

Bank of Finland
Auditorium, Rauhankatu 19, 00170 Helsinki, Finland
and
Arcada University of Applied Sciences
Jan-Magnus Janssonin aukio 1, 00560 Helsinki, Finland

Workshop, Wednesday 5 October 2016

Bank of Finland, Auditorium, Rauhankatu 19, Helsinki

13:00–13:30 Registration & coffee

13:30–15:30 Opening remarks: **Katja Taipalus** (Head of Financial Stability, Bank of Finland)

Workshop session 1 – Systemic Risk Analysis
Chair: **Peter Sarlin** (Hanken School of Economics, RiskLab Finland)

***Matthias Raddant**, Dror Y. Kenett*
Interconnectedness in the global financial market

Mathias Drehmann, Mikael Juselius, Sarah Quincy
Financial deepening versus credit booms - a historical perspective on the probability of financial crises

Thibault Duprey, Benjamin Klaus
How to predict financial stress? An assessment of Markov switching versus logit models

15:30–16:00 Refreshments

16:00–17:30 Workshop session 2 – Markets, pricing and infrastructure
Chair: **Tuomas Peltonen** (European Systemic Risk Board)

Benedetta Bianchi, Angela Armakola, Henrik Hansen
The European CCP eco-system

Iñaki Aldasoro, Andreas Barth
Hedging or Speculating? Implications from different CDS motives

Evening Get-together

Day 1, Thursday 6 October 2016

Arcada University of Applied Sciences, Jan-Magnus Janssonin aukio 1, 00560 Helsinki

8:00–9:00 Registration & coffee

9:00–10:00 Conference opening: **Henrik Wolff** (Rector, Arcada University of Applied Sciences)

Keynote: **Erkki Liikanen** (Governor, Bank of Finland)
Low interest rate environment and systemic risks – current issues

10:00–11:45 Session 1 – Banking
Chair: **Katja Taipalus** (Bank of Finland)

Andre Lucas, Julia Schaumburg, Bernd Schwaab
Bank business models at zero interest rates

Derrick Kanngiesser, Reiner Martin, Laurent Maurin, Diego Moccero
Estimating the Impact of Shocks to Bank Capital in the Euro Area

Susanna Calimani, Grzegorz Hałaj, Dawid Zochowski
Simulating Fire-Sales in a Banking and Shadow Banking System

11:45–13:00 Lunch & poster session 1

13:00–15:20 Session 2 – Measuring Systemic Risk
Chair: **Esa Jokivuolle** (Bank of Finland)

Richard Neuberg, Paul Glasserman, Benjamin Kay, Sriram Rajan
The Market Implied Probability of Government Intervention in Distressed Banks

Paolo Giudici, Peter Sarlin, Alessandro Spelta
The multivariate nature of systemic risk: Direct and common exposure

Sylvain Benoit, Christophe Hurlin, Christophe Pérignon
Transparent Systemic-Risk Scoring

Anne-Caroline Hüser, Grzegorz Hałaj, Christoffer Kok, Cristian Perales, Anton van der Kraaij
The systemic implications of bail-in: A multi-layered network approach

15:20–15:40 Refreshments

15:40–16:50 Session 3 – Financial Networks
Chair: **Jouko Vilmunen** (Bank of Finland)

Mark Flood, Jonathan Simon, Mathew Timm
Measures of Financial Network Complexity

Marco D'Errico, Tarik Roukny
Notional excess and the mechanics of portfolio compression

16:50–18:00 Session 4 – Financial Contagion and Fire Sales
Chair: **Kaj-Mikael Björk** (RiskLab at Arcada University of Applied Sciences)

Rama Cont, Eric Schaanning
Systemic stress testing: Modelling fire sales in macro stress tests

Marc van Kralingen, Diego Garlaschelli, Iman van Lelyveld
Market clustering and price instability

Day 2, Friday 7 October 2016
Arcada University of Applied Sciences, Jan-Magnus Janssonin aukio 1, Helsinki

8:00–9:00 Registration & coffee

9:00–10:00 Keynote: **Sergio Nicoletti Altimari** (Director General Macroprudential Policy and Financial Stability, European Central Bank)
Macroprudential analysis and policy at the ECB

10:00–11:15 Session 5 – Financial Contagion in Banking and Markets
Chair: **Jouni Timonen** (Bank of Finland)

Mark Paddrik, Sriram Rajan, H. Peyton Young
Contagion in the CDS Market

Giuseppe Cappelletti, Paolo Emilio Mistrulli
Multiple Lending, Credit Lines and Financial Contagion

11:15–12:15 Keynote: **Rama Cont** (Professor, Imperial College London)
Fire sales, price-mediated contagion and systemic risk

12:15–13:30 Lunch & poster session 2

13:30–15:15 Session 6 – Interconnectedness
Chair: **Tuomas Peltonen** (European Systemic Risk Board)

Deyan Radev
Systemic Risk and Sovereign Default in the Euro Area

Ariel J. Sun, Jorge A. Chan-Lau
Financial Networks and Interconnectedness Risk in an Advanced Emerging Market Economy

Richard M. Bookstaber, Dror Y. Kenett
The multilayer structure of the financial system

15:15–16:15 Keynote: **Stefan Mittnik** (Professor, LMU München)
Big Data in finance and beyond: Big Aha or Big Dada?

16:15 Closing remarks & refreshments

17:00 End of conference

Poster sessions

Poster session 1 – Systemic Risk, Financial Stress and Financial Cycles

***Christian Menden* and Christian R. Proaño**
Dissecting the Financial Cycle with Dynamic Factor Models

***Eero Tölö*, Katja Taipalus, Matti Virén, Timo Virtanen**
Use Of Unit Root Methods In Early Warning Of Financial Crises

***Esa Jokivuolle*, Jussi Keppo, Xuchuan Yuan**
Bonus caps, deferrals, and bankers' risk-taking

Poster session 2 –Liquidity and Sovereign Risk

***Veni Arakelian*, Petros Dellaportas, Roberto Savona, Marika Vezzoli**
European Sovereign Systemic Risk Zones

Toshiyuki Sakiyama and *Tetsuya Yamada*
Market Liquidity and Systemic Risk of Government Bond Markets: Network Analysis and Agent Based Model Approach

Grzegorz Hałaj
Agent-based Model of systemic liquidity risk