

28-29 November 2017

Location: EBA, Picasso room, Floor 46,
One Canada Square, Canary Wharf,
London, E14 5AA, UK

2017 EBA Policy Research Workshop

“The future role of quantitative models in financial regulation”

Day 1 – 28 November 2017

09:00 – 18:30

1. Registration **09:00-09:30**

2. Welcome Speech – Andrea Enria, EBA Chairperson **09:30-09:50**

3. Key Note Speech – Andreas Dombret, Deutsche Bundesbank, DE, Member of the Executive Board **09:50-10:50**

“To count or not to count? The future of internal models in banking regulation”

Coffee Break **10:50-11:20**

4. Session 1: Credit risk, market risk, and interest rate risk models **11:20-13:10**

“IRB Model Regulatory Arbitrage and Profitability at European Banks”, Giovanni Ferri, Valerio Pesic (LUMSA University, Sapienza University)

Discussant: Emiliós Avgouleas (University of Edinburgh)

“Bank Use of Sovereign CDS in the Eurozone Crisis: Hedging and Risk Incentives”, Viral Acharya, Yalin Gündüz, Timothy C. Johnson (Reserve Bank of India, Deutsche Bundesbank, University of Illinois)

Discussant: Walter Vecchiato (EBA)

“Euro area banks’ interest rate risk exposure to level, slope and curvature swings in the yield curve”, Daniel Foos, Eva Lütkebohmert, Mariia Markovych, Kamil Pliszka (Deutsche Bundesbank, University of Freiburg)

Discussant: Matteo Aquilina (FCA)

Chair: Samuel Da Rocha Lopes

Lunch **13:10-14:10**

5. Session 2: Early warning systems **14:10-16:00**

“A new approach to Early Warning Systems for smaller European banks”, Despo Malikkidou, Michael Bräuning, Stefano Scalone (EBA, ECB)

Discussant: Monika Marcinkowska (University of Lodz)

“Does High Profitability Hamper Stability for European banks?”, Pierre Pessarossi, Jean-Luc Thevenon, Laurent Weill (BdF-ACPR and University of Strasbourg, EM Strasbourg Business School)

Discussant: Valerio Pesic (Sapienza University)

“Predicting bank insolvencies using machine learning techniques”, Anastasios Petropoulos, Vasilis Siakoulis, Evangelos Stavroulakis, Nikolaos E. Vlachogiannakis (Bank of Greece)

Discussant: Klaus Düllmann (ECB)

Chair: Mario Quagliariello

Coffee Break **16:00-16:30**

6. Session 3: Defaults and accounting under IFRS9 **16:30-18:20**

“Assessing the Cyclical Implications of IFRS 9: A Recursive Model”,

Jorge Abad, Javier Suarez (CEMFI, CEPR)

Discussant: Andreas Pfingsten (University of Münster)

“Mortgage default modelling under IFRS9”, Edward Gaffney, Fergal McCann (Central Bank of Ireland)

Discussant: Massimiliano Rimarchi (EBA)

“Expected Losses and Managerial Discretion as Drivers of Countercyclical Loan Loss Provisioning”, Christian Domikowsky, Sven Bornemann, Klaus Düllmann, Philipp Grüber, Andreas Pfingsten (University of Münster, European Central Bank, Deutsche Bundesbank)

Discussion: Javier Suarez (CEMFI, CEPR)

Chair: Marina Cernov

7. Drinks Reception **18:30**

Day 2 – 29 November 2017

09:00 – 15:40

8. Session 4: Capital and liquidity requirements and financial stability **09:00-10:50**

“Semi-Structural Credit Gap Estimation”, Jan Hannes Lang, Peter Welz (European Central Bank)
Discussant: Jonathan Smith (Bank of England)

“Bank capital and liquidity transformation”, Kristoffer Milonas, Jonathan Smith, and Quynh-Anh Vo (Bank of England)
Discussant: Angel Berges (UAM)

“Higher Capital Requirements and Bank Lending: Evidence from the Euro Area Experiments”, Zymantas Budrys, Giuseppe Cappelletti, Aurea Ponte Marques, Paolo Varraso (European Central Bank)
Discussant: Kim Abildgren (Danish Central Bank)

Chair: Lars Overby

Coffee Break **10:50-11:20****9. Session 5: Systemic risks** **11:20-13:10**

“Correlation networks to measure the systemic implications of banks resolution” Paolo Guidici, Laura Parisi (University of Pavia, ECB)
Discussant: Scott A. Brave (Federal Reserve Bank of Chicago)

“Mitigating Counterparty Risk”, Yalin Gündüz (Deutsche Bundesbank)
Discussant: Giovanni Petrella (Catholic University)

“Calibrating Macroprudential Policy to Forecasts of Financial Stability”, Scott A. Brave, Jose A. Lopez (Federal Reserve Bank of Chicago, Federal Reserve Bank of San Francisco)
Discussant: Martin Summer (OENB)

Chair: Klaus Düllmann

Lunch **13:10-14:20****10. Panel discussion – Andrea Enria (EBA Chairperson), Franklin Allen (Imperial College London), Brad Carr (IIF-The Institute of International Finance), and Victoria Saporta (Bank of England)** **14:20-15:20**

“Use of financial modelling for regulatory purposes – Challenges ahead”

End of the event
