

3rd EBA POLICY RESEARCH WORKSHOP

“How to measure the riskiness of banks?”

London, 25-26 November 2014

CALL FOR PAPERS

With the introduction of Basel II the prudential framework moved towards a more risk-sensitive approach in the calculation of own funds requirements as a consequence of the extended use of internal models. One of the consequences appears to have been the loss of comparability across banks, which also appears to be one of the drivers for the introduction of the leverage ratio. The current policy debate has therefore moved to balancing the risk sensitivity of prudential measures and the comparability and simplicity of the framework. There is therefore a need to correctly measure the riskiness of banks, either by introducing simpler prudential measures or supplementing the existing measures with alternatives. The introduction of stress testing, benchmarking exercises and even the introduction of macro prudential measures, all appear to aim at supplementing the existing regulatory framework in order to ensure consistent implementation across banks. At the core of all these new measures is the need to have accurate measures of the riskiness of banks.

The 3rd EBA policy research workshop therefore aims at bringing together economists from national supervisory authorities and leading academics for discussions on how to measure the riskiness of banks in a consistent manner.

The organisers are therefore inviting the submission of policy-oriented – preferably empirical – research papers in this area. Researchers from supervisory authorities and central banks are particularly encouraged to submit their papers for presentation. Submissions of papers are welcome on the following topics in particular:

- Use of internal models, such as benchmarking of models
- The predictive power of risk models
- Balancing the risk sensitivity of prudential measures and the comparability and simplicity of the framework
- Accounting vs prudential risk models
- Stress testing approaches
- Measuring systemic risk
- Liquidity risks
- Measuring risk for contributions to DGS and resolution funds
- Operational risk, such as conduct risk

Interested parties should submit their draft papers and any queries to research.conferences@eba.europa.eu at the European Banking Authority. The submission deadline is 28 July 2014. Contributors will be notified by early October 2014.

Programme Committee.

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