2019 EBA Policy Research Workshop

“The future of stress tests in the banking sector – approaches, governance and methodologies”

Day 1 – 27 November 2019

09:30 – 18:20

1. Registration 08:30-09:30

2. Welcome Speech – José Manuel Campa, EBA Chairperson 09:30-09:50

3. Key Note Speech – Andrea Enria (Chair of the ECB Supervisory Board) 09:50-10:50

“The future of stress testing”

Coffee Break 10:50-11:20

4. Session 1: Methodologies and approaches 11:20-13:10

“System-wide stress simulation”, David Aikman, Pavel Chichkanov, Graeme Douglas, Yordan Georgiev, James Howat, Benjamin King (Bank of England)
Discussant: Jose M. Berrospide (Federal Reserve Board)

Discussant: Kim Abildgren (Danish Central Bank)

“Applying the pre-commitment approach to bottom up stress tests”, Simone Casellina (EBA), Giuseppe Pandolfo (IVASS), Mario Quagliariello (EBA)
Discussant: Peter Raupach (Deutsche Bundesbank)

Chair: Lisa Ryu (Federal Reserve Board)

Lunch 13:10-14:10
5. Session 2: Scenario design and calibration 14:10-16:00

“How severe are the EBA macroeconomic scenarios for the Italian Economy? A joint probability approach”, Manuel Bonucchi, Michele Catalano (Prometeia Associazione)
Discussant: Loftur Hreinsson (Financial Supervisory Authority of Iceland)

“Systematic Systemic Stress Tests”, Thomas Breuer (University of Applied Sciences, Vorarlberg), Martin Summer (Oesterreichische Nationalbank)
Discussant: José Fique (European Systemic Risk Board)

“Model-based approach for scenario design: stress test severity and banks’ resiliency”, Paolo Nicola Barbieri (University of Gothenburg and Prometiea SpA), Giuseppe Lusignani (University of Bologna and Prometiea SpA), Lorenzo Prosperi (Toulouse School of Economics and Prometiea SpA), Lea Zicchino (Prometiea SpA)
Discussant: Inês Drumond (Banco de Portugal)

Chair: Emilios Avgouleas (University of Edinburgh)

Coffee Break 16:00-16:30


“Simulating liquidity stress in the derivatives market”, Marco Bardoscia, Gerardo Ferrara, Nicholas Vause, Michael Yoganayagam (Bank of England)
Discussant: José Fique (European Systemic Risk Board)

“Determinants of banks’ liquidity: a French perspective on interactions between market and regulatory requirements”, Olivier de Bandt (Banque de France), Sandrine Lecarpentier (EconomiX, CNRS, Paris-Nanterre University), Cyril Pouvelle (French Prudential Supervision and Resolution Authority, Banque de France)
Discussant: Carmelo Salleo (Banca d’Italia)

“Taking regulation seriously: fire sales under solvency and liquidity constraints”, Jamie Coen (Bank of England), Caterina Lepore (Bank of England), Eric Schaanning (ESRB)
Discussant: Jérôme Henry (European Central Bank)

Chair: Lars Overby (EBA)

7. Drinks Reception 18:20
Day 2 – 28 November 2019
09:00 – 16:50

8. Registration 08:30-09:00
9. Session 4: Concepts and frameworks 09:00-10:50

“Modelling loan loss provisions under IFRS 9 in the top-down solvency stress test of the Central Bank of Hungary”, Péter Lang, Martin Stancsics (Magyar Nemzeti Bank)
Discussant: Monika Marcinkowska (University of Lodz)

“Reverse stress testing”, Michael Baes (ETH Zurich, RiskLab), Eric Schaanning (ESRB)
Discussant: Klaus Düllmann (European Central Bank)

“Stochastic Optimization System for Bank Reverse Stress Testing”, Giuseppe Montesi, Giovanni Papiro (University of Siena), Massimiliano Fazzini, Alessandro Ronga (Valuecube)
Discussant: Edgar Löw (Frankfurt School of Finance and Management)

Chair: Samuel Da Rocha Lopes (EBA)
Coffee Break 10:50-11:20

10. Key Note Speech – Jean Dermine (Professor of Banking and Finance, INSEAD, France) 11:20-12:20

“EU Banking Stability, One Size Does not Fit All”
Lunch 12:20-13:30
13:30-15:20

11. Session 5: Banks behaviour

“Stressed but Not Helpless: Strategic Behaviour of Banks under Adverse Market Conditions”, Grzegorz Hałaj, Sofia Priazhkina (Bank of Canada)
Discussant: Laura Valderrama (International Monetary Fund)

“The Disciplining Effect of Supervisory Scrutiny in the EU-wide Stress Test”, Christoffer Kok (ECB), Carola Müller (IWH), Cosimo Pancaro (ECB)
Discussant: Rym Ayadi (CASS Business School)

“The Effects of Bank Capital Buffers on Bank Lending and Firm Activity: What Can We Learn from Five Years of Stress-Test Results?”, Jose M. Berrospide, Rochelle M. Edge (Federal Reserve Board)
Discussant: Mitsuru Katagiri (Bank of Japan)

Chair: Mario Quagliariello (EBA)
Coffee Break 15:20-15:40
12. Session 6: Climate risk

“Factoring transition risks into regulatory stress-tests: The case for a standardized framework for climate stress testing and measuring impact tolerance to abrupt late & sudden economic decarbonization”, Michael Hayne, Soline Ralite, Jakob Tromä, Daan Koopman (2°Investing Initiative)
Discussant: Martin Summer (National Bank of Austria)

Discussant: Edo Schets (De Nederlandsche Bank)

Chair: Olli Castrén (EBA)

End of the event