

Pattern recognition of financial institutions' payment behavior

Comments

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The views expressed herein are those of the author and are not necessarily those of the Central Bank of Argentina.

Contribution

- Interesting and challenging application of Artificial Neural Network to analyze banking payment behavior
- Focused in individual (and systemic) bank behavior and applied to the Colombian large value payment system (LVPS)
- A methodology that simplify the analysis of the interaction of banks and other financial companies/different payment types/time..a large dimension problem
- Network metrics and systemic impact features result very relevant in the analysis
- Important an interesting tool to detect anomalies in complex and large systems like LVPS

Comments

- As results may (should) depend on the main characteristics of the banking system under analysis

Description of the main features of the underlying payment network for the period (basic and/or network statistics, concentration, large banks,..)

- Some questions
 - a) Analysis with the Central Bank in the system (Monetary Policy implementation)
 - b) Freeriding problem: anomalies such as delay payment behavior of particular banks