

# IV COURSE ON FINANCIAL STABILITY

Madrid, Spain  
October 24 - 28, 2022  
Meeting Room: Europa

MONDAY  
**24**  
OCT.  
**2022**

Madrid  
(UTC+2)

08:30

## Security check and registration

09:00 – 09:15

## Course opening

- Ángel Estrada García, Director General of Financial Stability, Regulation and Resolution, *Banco de España*
- Matías Ossandon Busch, Director of Financial Stability, *CEMLA*

09:15 – 10:00

## Interactive kickoff session

A case simulation on macroprudential interventions

**Chair:** Matías Ossandon Busch, *CEMLA*

10:00 – 10:30

## Coffee break

## SESSION 1: INTRODUCTION TO FINANCIAL STABILITY ANALYSIS

10:30 – 11:30

## Financial stability: definition and metrics

- A primer on financial stability
- Financial cycles and the macroeconomy
- Dimensions of financial stability metrics

**Speaker:** Carlos Pérez Montes, *Banco de España*

**Chair:** Matías Ossandon Busch, *CEMLA*

11:30 – 11:45

## Break

11:45 – 12:45

## Foundations of macroprudential regulation I

- Definition and ultimate objectives
- Theoretical considerations on macroprudential regulation
- Intermediate objectives and instruments

**Speaker:** Carola Müller, *CEMLA*

**Chair:** Javier Mencía González, *Banco de España*

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12:45 – 13:00

**Break and group photo**

13:00 – 14:00

**Lunch**

14:00 – 15:00

**Foundations of macroprudential regulation II**

- A typology of macroprudential tools
- Interactions between macroprudential and monetary policy
- Cross-border dimension of macroprudential policy

**Speaker:** Matias Ossandon Busch, *CEMLA*

**Chair:** Carmen Broto Pelegrín, *Banco de España*

TUESDAY

**25**  
OCT.  
**2022**

Madrid  
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## SESSION 2: THE CRYPTO ECOSYSTEM, CENTRAL BANKS, AND FINANCIAL STABILITY

09:00 – 10:30

**An introduction to the economics of digital currencies**

- The evolution of money and payment systems
- The key innovation: the distributed ledger
- Cryptocurrencies as trusted means of payments?
- Platform-based currencies vs. stablecoins

**Speaker:** Prof. Dr. Aleksander Berentsen, *University of Basel*

**Chair:** Matias Ossandon Busch, *CEMLA*

10:30 – 11:00

**Coffee break**

11:00 – 12:45

**Digital currencies, central banks, and financial stability**

- Do cryptocurrencies matter for central banks?
- Implications of digital currencies for monetary policy
- Financial stability risks and digital currencies
- Central bank digital currencies as centrally backed stablecoins

**Speaker:** Prof. Dr. Aleksander Berentsen, *University of Basel*

**Chair:** José Ramón Martínez Resano, *Banco de España*

12:45 – 14:00

**Lunch**

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WEDNESDAY

26  
DE OCT.  
2022

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## SESSION 3: FINANCIAL STABILITY MONITORING AND GROWTH-AT-RISK MODELS

09:00 – 10:00

### Financial stability monitoring

- The purpose and definition of monitoring
- Monitoring the banking sector
- Monitoring shadow banks and the non-financial sector

**Speaker:** Alejandro Ferrer Pérez, *Banco de España*

**Chair:** Carola Müller, *CEMLA*

10:00 – 10:30

### Coffee break

10:30 – 11:30

### Introduction to Growth-at-Risk models I

- From Value-at-Risk to Growth-at-Risk
- Identifying risk factors and variables' selection
- Quantile regressions and estimation challenges

**Speaker:** Jorge Galán Camacho, *Banco de España*

**Chair:** María Rodríguez Moreno, *Banco de España*

11:30 – 11:45

### Break

11:45 – 13:00

### Introduction to Growth-at-Risk models II

- From quantile regressions to fitted distributions
- Interpreting Growth-at-Risk results
- Predictive score and other validation procedures
- Application examples

**Speaker:** Jorge Galán Camacho, *Banco de España*

**Chair:** Matias Ossandon Busch, *CEMLA*

13:00 – 14:00

### Lunch

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## SESSION 4: PANEL DATA FOR FINANCIAL STABILITY ANALYSIS

09:00 – 10:00

### Panel data analysis in financial stability using microdata

- Microeconomic settings with financial sector data
- Common estimators and identification techniques
- Identification challenges and solutions

**Speaker:** Matías Ossandon Busch, *CEMLA*

**Chair:** José María Serena Garralda, *Banco de España*

10:00 – 10:30

### Coffee Break

10:30 – 11:30

### Applications of panel data for policy evaluation

- Difference-in-Difference and Regression-discontinuity estimations
- Applications with macroprudential policies
- Evaluating the effect on credit of macroprudential interventions

**Speaker:** Matías Ossandon Busch, *CEMLA*

**Chair:** José María Serena Garralda, *Banco de España*

11:30 – 11:45

### Break

11:45 – 13:00

### Applications using credit-register data for policy evaluation

- Causality and natural experiments
- The use of credit-level data at the Banco de España for policy evaluation
- Case study: how banks translate policy shocks to the real economy

**Speaker:** Gabriel Jiménez, *Banco de España*

**Chair:** Carola Müller, *CEMLA*

13:00 – 14:00

### Lunch

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## SESSION 5: MACROPRUDENTIAL STRESS TESTING

### Introduction to the design of stress tests

- The need for stress testing in financial stability
- Components of a stress testing framework
- Stress test objectives and the design of stress test scenarios

**Speaker:** Carola Müller, *CEMLA*

**Chair:** Nadia Lavín San Segundo, *Banco de España*

10:00 – 10:30

### Coffee break

10:30 – 11:30

### Interactive session: stress testing in practice

- This session invites participants to engage in a short simulation.
- The simulation will highlight important policy and methodological decisions made during the process of designing and implementing a stress test.
- The exercise will take place in small working groups.

**Speaker:** Carola Müller, *CEMLA*

**Chair:** Nadia Lavín San Segundo, *Banco de España*

11:30 – 11:45

### Break

11:45 – 13:00

### Applications and experiences from stress testing

- Architecture of the Banco de España's stress tests
- Spanish experience during the COVID-19 crisis
- Climate change and stress tests

**Speaker:** Nadia Lavín San Segundo, *Banco de España*

**Chair:** Carola Müller, *CEMLA*

13:00 – 13:15

### Closing Remarks

**Speaker:** Matías Ossandon Busch, *CEMLA*

13:15 – 14:15

### Lunch