

Events UCM

BDA– MADRID – BANK OF SPAIN – JUNE 10, 2019

- Parties participating, their roles and their responsibilities:

- Division of Financial Innovation.
- Financial Risks.
- Market Conduct and Complaints Department.

The role of the participants: Directors, Head of Division, Transparency regulations head of unit, Experts, Technical staff, Head of the New Products and Services Unit, IT Risk Supervisor, Head of unit, IT auditor, Data Analyst and Analysts in general.

- how will they stay involved? They have access to the platform to see the exposed cases, other use cases and all the tools and material provided by the project. They receive the papers with the use cases, the presentations and the codes as material derived from the seminars. They receive continuous sending of the summaries of other use cases, from the different WPs, to evaluate their interest and the possibility of new seminars, taking into account that they are different regulatory bodies and different departments. We are committed to providing participants with a report that collects comments and feedback from the same seminars in other EU countries. We share our publications so that they can see results of the feedback given, collect feedback on their applied approach, and carry out knowledge transfer. They have been invited to participate in different suptech and regtech events.
- what is their feedback on the use cases presented? In general, the participants think that the activity was fruitful, there were good acceptance and detailed discussion of the cases, of the validation of the ML models and on the potential behind these models and their risks embedded.
- are the selected use cases in the end the ones that meet the expectations and requirements at most? Yes and they show a special interest in the ML and AI interpretability topic.

BDA– MADRID – BANK OF SPAIN – JUNE 26, 2019

- Parties participating, their roles and their responsibilities:
 - Financial Stability and Macroprudential Policy Department

The role of the participants: Head of Division, advisors and economists. The background of the participants was focused on statistics and econometrics.

- how will they stay involved? They have access to the platform to see the exposed cases, other use cases and all the tools and material provided by the project. They receive the papers with the use cases, the presentations and the codes as material derived from the seminars. They receive continuous sending of the summaries of other use cases, from the different WPs, to evaluate their interest and the possibility of new seminars, taking into account that they are different regulatory bodies and different departments. We are committed to providing participants with a report that collects comments and feedback from the same seminars in other EU countries. We share our publications so that they can see results of the feedback given, collect feedback on their applied approach, and carry out knowledge transfer. They have been invited to participate in different suptech and regtech events.
- what is their feedback on the use cases presented? In general, the participants think that the activity was fruitful. An aspect that they consider relevant for the models presented in the cases is sensitivity analysis, what allow to simulate shocks on the included variables and identifying the most affected companies or banks, which allows them to foresee measures in that case of relevant consequences.
- are the selected use cases in the end the ones that meet the expectations and requirements at most? Yes. They consider extremely important for the models to be explainable from theoretical point and with parameter values reasonable. To illustrate this argument, they say that they tests a vast battery of models, they discard all those in which the signs of the variables do not make sense. They also suggest studying the interconnections of banks with other financial actors.

**BDA– MADRID – PUBLIC TREASURY. MINISTRY OF ECONOMY AND BUSINESS–
JANUARY 20, 2020**

- Parties participating, their roles and their responsibilities:

- General Secretariat of the Treasury and Financial Policy

The role of the participants: Head of Division, advisors and economists.

- how will they stay involved? They have access to the platform to see the exposed cases, other use cases and all the tools and material provided by the project. They receive the papers with the use cases, the presentations and the codes as material derived from the seminars. They receive continuous sending of the summaries of other use cases, from the different WPs, to evaluate their interest and the possibility of new seminars, taking into account that they are different regulatory bodies and different departments. We are committed to providing participants with a report that collects comments and feedback from the same seminars in other EU countries. We share our publications so that they can see results of the feedback given, collect feedback on their applied approach, and carry out knowledge transfer. They have been invited to participate in different suptech and regtech events.
- what is their feedback on the use cases presented? In general, the participants think that the activity was valuable. They agree that the legal status of bankruptcy insolvency, dissolution and liquidation are appropriate, but find that by not including bank rescue or banks under stressed that were publicly recapitalized or merged with another entity, the default event is underestimated and, therefore, the estimate of the risk of contagion. With the same purpose, they suggest that when updating the study in a longer window, also new policies and strategies associated with reducing the risk of bank failure should be taken into account. For example, ring-fencing, because its impact can be evaluated in combination with different conceptions of contagion and new measurement alternatives
- are the selected use cases in the end the ones that meet the expectations and requirements at most? Yes. Consider very interesting the use of Machine Learning tools and the use of other types of information (Big Data) for estimating interbank contagion. Consider the use of spatial econometrics in the presentation and display of results to be appropriate, although not so novel.

**AI- MADRID – NATIONAL SECURITIES MARKET COMMISSION (CNMV) –
DECEMBER 2, 2019**

○ Parties participating, their roles and their responsibilities:

- Studies and statistics department
- Secondary market department
- Remote investment services companies supervision (ESI)
- Department of authorization and entity records (DARE)

The role of the participants: Deputy Director of financial stability, Head of Division, Data analysts, Officer, Statisticians, Analysts, Technicians, Inspector.

- how will they stay involved? They have access to the platform to see the exposed cases, other use cases and all the tools and material provided by the project. They receive the papers with the use cases, the presentations and the codes as material derived from the seminars. They receive continuous sending of the summaries of other use cases, from the different WPs, to evaluate their interest and the possibility of new seminars, taking into account that they are different regulatory bodies and different departments. We are committed to providing participants with a report that collects comments and feedback from the same seminars in other EU countries. We share our publications so that they can see results of the feedback given, collect feedback on their applied approach, and carry out knowledge transfer. They have been invited to participate in different suptech and regtech events.
- what is their feedback on the use cases presented? In general, the participants think that the activity was valuable. They value the use of tools to measure the dependency structure between markets, set the direction of the dependency, the intensity and the identification of clusters or convergence blocks. For they are very important to ascertain the role of pure contagion and that of macroeconomic fundamentals in periods of turbulence. The regulator has carried out exercises with macroeconomic indicators, obtaining similar dynamics in the segmentation; countries of the core, strong financially and economically, and countries of the periphery, dependent in lag of the countries of the centre and with negative contagion in the short term in front of the events of the countries of the same segment. In this regard, they suggest combining dependency measures and macroeconomic indicators to assess whether segmentations are generated that are not obtained by analyzing each of these components individually.
- are the selected use cases in the end the ones that meet the expectations and requirements at most? Yes. In general, they consider that the topics shown provide tools to participants to improve their analysis and understanding the dynamics of financial markets, with a special focus on financial stability issues.

**AI- MADRID – PUBLIC TREASURY. MINISTRY OF ECONOMY AND BUSINESS –
FEBRUARY 18, 2020**

- Parties participating, their roles and their responsibilities:
 - General Sub-Directorate for Public Debt Management

The role of the participants: Statistician, Analyst.

- how will they stay involved? They have access to the platform to see the exposed cases, other use cases and all the tools and material provided by the project. They receive the papers with the use cases, the presentations and the codes as material derived from the seminars. They receive continuous sending of the summaries of other use cases, from the different WPs, to evaluate their interest and the possibility of new seminars, taking into account that they are different regulatory bodies and different departments. We are committed to providing participants with a report that collects comments and feedback from the same seminars in other EU countries. We share our publications so that they can see results of the feedback given, collect feedback on their applied approach, and carry out knowledge transfer. They have been invited to participate in different suptech and regtech events.
- what is their feedback on the use cases presented? The participants appreciate having instruments that allow them to understand the transmission of effects by different political phenomena, as well as making markets segments for varying periods. However, they suggest using models that include control variables around the differences associated with markets. These variables recognize their strengths and limitations to have a more robust estimation of contagion. In the second case, they value very highly the model because you define risk routes and segments, including dynamic estimates of contagion. They also consider that it would be good to be able to determine the meaning of the divergence with quantitative measures and not only with the maps. Perform the same sovereign risk analysis before the crisis. Likewise, they suggest a comparison not only of two moments, crisis and post-crisis but also advise to include pre-crisis moment. They considered that by not covering this period, the effects associated with the policies of governments and the European Union might be overestimated.
- are the selected use cases in the end the ones that meet the expectations and requirements at most? Yes.