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## PRESS RELEASE

### SUMMARY OF A WORKSHOP ON RECENT ADVANCES IN MODELLING SYSTEMIC RISK USING NETWORK ANALYSIS

In October 2009, the European Central Bank (ECB) hosted a workshop entitled "Recent advances in modelling systemic risk using network analysis". Today, the ECB is publishing a summary of the workshop, which was attended by experts from central banks and international organisations working in the fields of financial stability and payment system analysis/oversight.

The global financial crisis clearly illustrated the role of financial linkages as a channel for the propagation of shocks to and within the financial system. Recent research in the area of financial network analysis has shown that modelling and simulating the interlinking exposures between financial institutions and sectors of the economy or across entire national financial systems can reveal vulnerabilities that would otherwise remain undetected. The aim of the workshop was to exchange views and experiences in the field of financial network analysis. The workshop also aimed to improve awareness of network modelling in general and to enhance knowledge of the possibilities and limitations of this area of analysis.

The workshop highlighted the potential of network theory to enhance the tools for macroprudential analysis, market infrastructure oversight and counterparty risk management and proposed several avenues for future research. A summary of the workshop can be found on the ECB's website.

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