



# Risk Management

2014 Annual Conference

13 June 2014

Swiss Re, Rueschlikon, Switzerland

jointly organised by

*EABH (European Association for Banking and Financial History e.V.)*

and *Swiss Re*

The term 'RISK' has experienced inflationary use over the last years, resulting in a multitude of linguistic combinations. While everyday notions of risk are closely associated with danger and uncertainty, financial services, banking and insurance associate the term mainly with deviations from the expected. Such attempts aim at separating economic risk from uncertainty and at making risks insurable. They imply that risk can be quantified or measured and thus managed. Banking and insurance have both developed individual ways of dealing with risk, which, to some degree, show signs of a parallel evolution. Besides actuarial methods, both insurance and modern finance have applied portfolio selection or diversification as a guiding principle. Both industries were exposed to major challenges after the demise of the Bretton Woods System and had to develop instruments to hedge against inflation and fluctuating interest rates. Capital markets developed options and futures and, later, swaps. Reinsurance futures were suggested for the insurance industry. These products were slow to develop. In the wake of the 1987 equity market crash they became more popular and the capital markets (and later insurance) started applying Sharpe's CAPM and the Black-Scholes model more widely to tackle increasingly mathematical problems. JP Morgan finally developed the 'Value-at-Risk' (VaR) concept to take into account what later was called 'Black Swans', a concept which had been known and applied in insurance for much longer. The Basle Committee then adopted the VaR approach to set minimum capital requirements for banks. Enterprise-wide risk management gradually developed in conjunction with regulatory requirements to include operational and other risks. However, risk management in financial services is a relatively new concept. The 2014 *EABH* conference aims to investigate the ways in which today's corporate risk management approaches came about.



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Draft Programme		Friday, 13 June 2014	
08.00 – 08.15	<b>Introduction</b>	Walter Kielholz	<i>Swiss Re</i>
08.15 – 08.45	<b>From the End of Bretton Woods to the Global Financial Crisis: 40 Years of Turbulence</b>	Hugo Bänziger	<i>Eurex Group; EABH</i>
08.45 – 09.00	<b>Actuaries – the first Risk Managers</b>	Hans Bühlmann	<i>Eidgenössische Technische Hochschule</i>
09.15 – 09.45	<b>Early Days of Credit Risk Management: When Credit was Paper-based</b>	John Mooney Doug Neilson	
09:45 – 10.15	<b>Market Risk Management: Early Days</b>	Andreas Gottschling	<i>Erste Oesterreich</i>
10.15 – 10.30	Coffee Break		
10.30 – 11.15	<b>From the Cook Committee to Basel 3: The Introduction of Risk into Regulation</b>	N. N. (mod.) Daniel Zuberbühler Clifford Smout Christopher Kobrak	<i>Swiss Re</i> <i>KPMG</i> <i>Deloitte</i> <i>ESCP Europe</i>
11.15 – 12.00	<b>Enterprise-wide Risk Management</b>	Thorsten Wegner	<i>Mc Kinsey</i>
12.00 – 12.45	<b>How Everything Started</b>	Hugo Bänziger (mod.) Lothar Weber Christian Casal Rolf Bachmann	<i>Eurex Group, EABH</i> <i>Bluewin</i> <i>Mc Kinsey</i> <i>Lazard</i>
13.00 – 14.00	Lunch		



<b>14.00 – 16.00</b>		
<b>Presentation of Research Papers</b>	Harold James (mod.)	<i>Princeton University</i>
<b>Derivatives as a Risk Management Products: A History of Concepts and Markets</b>	Alexander Engel	<i>Goettingen University</i>
<b>Insurance, Reinsurance, and Technologies of Financial Anti-Fragility: A Note on the Origins of Junk Bonds and CDOs</b>	Alexandros Andreas Kyrtis	<i>University of Athens</i>
<b>In the Name of God: Managing Risk in Islamic Finance</b>	Valentino Cattelan	<i>University of Oxford</i>
<b>Dealing with Underwriting Risk in Connection with Sovereign Loan Issues in London, 1870-1914</b>	Anders Løhde Mikkelsen	<i>Kings College London</i>
<b>Actuarial Backwardness in Spanish Life Insurance - Life Tables and Profits (1890-1937)</b>	Jéronia Pons Pons & Pablo Guitérrez González	<i>University of Seville</i>
<b>Out of the Shadows: Commercial Bank Mortgage Securitization and the Great Depression in the Chicago Area</b>	Natasha Postel Vinay	<i>London School of Economics</i>
<b>Conservative Risk Management: The Asset Management of Zurich Insurance Company in the Interwar Period</b>	Luca Froehlicher	<i>University of Zürich</i>
<b>Creating a Risk Management Department: Banque Paribas' Experience</b>	Jean-François Daudrix	<i>BNP Paribas</i>
<b>16.00 End of Conference/ Toast</b>		