The Research Centre of the Faculty of Economics
cordially invites you to a research seminar
on **Wednesday, 5th April 2017**
at **13 p.m.** in room **P-201**
at the **Faculty of Economics, University of Ljubljana**

Author: **prof. dr. Robin Lumsdaine, Kogod School of Business, American University**

will present the article:

"The Complexity of Bank Holding Companies"

"Large bank holding companies (BHCs) are structured into intricate ownership hierarchies involving hundreds or even thousands of legal entities. Each subsidiary in these hierarchies has its own legal form, assets, liabilities, managerial goals, and supervisory authorities. In the event of BHC default or insolvency, regulators may need to resolve the BHC and its constituent entities. Each entity individually will require some mix of cash infusion, outside purchase, consolidation with other subsidiaries, legal guarantees, and outright dissolution. The subsidiaries are not resolved in isolation, of course, but in the context of resolving the consolidated BHC at the top of the hierarchy. The number, diversity, and distribution of subsidiaries within the hierarchy can therefore significantly ease or complicate the resolution process. We propose a set of related metrics intended to assess the complexity of the BHC ownership graph. These proposed metrics focus on the graph quotient relative to certain well identified partitions on the set of subsidiaries, such as charter type and regulatory jurisdiction. The intended measures are mathematically grounded, intuitively sensible, and easy to implement. We illustrate the process with a case study of one large U.S. BHC.

You can register for the free seminar by phone (01) 58-92-490, or via e-mail: research.seminars@ef.uni-lj.si by Tuesday, 4th April 2017.

You can find all information regarding future research seminars on following link: http://www.ef.uni-lj.si/raziskovanje/seminarji_in_konference

We look forward to seeing you!