University of Groningen

# Systemic risk and financial regulation

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Propositions belonging to the doctoral dissertation

**Systemic Risk and Financial Regulation**

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1. Studying the performance of systemic risk measures and the effects of financial regulatory reforms can provide useful insights for financial regulators. (This dissertation)
2. We have to analyze systemic risk objectively and accurately before we can address it. The existing systemic risk measures show similarities and differences. (Chapter 2)
3. Both the ΔCoVaR and MES measures indicate that systemic risk in the Chinese banking system decreased after the GFC but started rising in 2014. (Chapter 2)
4. The book capital ratios indicate that US bank capitalization rose steadily in the past three decades, while the market capital ratios reveal substantial changes in bank capitalization over time. (Chapter 3)
5. Bank capitalization is negatively associated with bank stock returns during tranquil periods. The relation reverses during turbulent periods due to the flight-to-quality phenomenon. (Chapter 3)
6. The combination of the synthetic control method with the difference-in-differences can overcome the weaknesses of each method when using them separately. (Chapter 4)
7. The Dodd-Frank Act did not reduce systemic risk in the US. (Chapter 4)
8. “A fire on the city gate brings disaster to the fish in the moat.” (Du Bi, A.D. 490-559)