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**Micah Pollak** and **Yuanying Guan\*** (guany@iun.edu), 3400 Broadway, Gary, IN 60657.

*Historical Capital Buffers, Overlapping Portfolios, and Contagion of U.S. Financial System.*

We investigate the risk and severity of a contagion within a financial network in the presence of several types of interbank linkages. Using a core-periphery model we demonstrate how interbank lending, combined with an overlapping external asset (such as mortgage backed securities) and a partially overlapping internal asset (such as substantial ownership within the banking industry) weakens a financial network and propagates shocks during a financial contagion. The model is calibrated based on historical balance sheet and ownership data for U.S. banks between 2000 and 2015. In addition, we show how the risk and severity of a financial contagion is affected by trends in bank capital buffers, which have been driven in part by changes to the Basel Accords. (Received August 31, 2017)