



BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA

# FINANCIAL STABILITY CHALLENGES IN THE DIGITAL AGE

7 November 2025


Central Bank of Malta

# SYNOPSIS



The Central Bank of Malta's a seminar entitled Financial Stability Challenges in the Digital Age, brings together leading experts to discuss developments in the financial sector and emerging risks.

The programme features presentations on a network model for the Maltese banking system, the Bank's latest stress testing results, a study on the effectiveness of borrower-based measures, and the interplay between insurance and economic growth in Malta. This year's seminar also includes a panel discussion on Artificial Intelligence - Implications for Financial Stability. Through these sessions, participants will gain insights into emerging risks, the role of macroprudential policy, and the opportunities and challenges posed by technological innovation in the financial sector.



# PROGRAMME

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**08:30**      **Registration and light breakfast**

**09:05**      **Opening remarks by Prof Edward Scicluna**  
Governor, Central Bank of Malta

**09:10**      **Keynote speech by Mr Paul Hiebert**  
Head of Systemic Risk and Financial Institutions Division, European Central Bank

**09:30**      **A network model for the Maltese banking system**  
**Dr Michele Andreani**, Principal Research Economist,  
Stress Testing and Research Office, CBM

**10:00**      **Presentation on the latest CBM stress testing results**  
**Ms Christine Balzan**, Head, Macroprudential Policy,  
Stress Testing and Research Department, CBM

*Coffee break*

**10:45**      **Assessing the effectiveness of Directive 16**  
**Mr Matteo Panfilo**, Senior Research Economist,  
Stress Testing and Research Office, CBM

**11:15**      **Macroeconomic drivers of insurance premia in Malta**  
**Ms Luana Camilleri**, Senior Economist Analyst,  
Financial Stability Surveillance and Risk Assessment Department, CBM

*Coffee break*

**12:00**      **Panel discussion: Artificial Intelligence – Implications for Financial Stability**  
**Moderator: Ms Wendy Zammit**, Head,  
Financial Stability Surveillance and Risk Assessment Department, CBM

## Panellists:

**Mr Alan Cassar**, Chief Officer, Financial Stability & Statistics, Central Bank of Malta

**Mr Paul Hiebert**, Head of Systemic Risk and Financial Institutions Division, European Central Bank

**Mr Kenneth Farrugia**, Chairperson, Malta Bankers' Association

**Mr Neil Micallef**, Manager AI Supervision and Market Surveillance, Malta Digital Innovation Authority

**Mr Joseph Muscat**, Senior Manager of Supervisory ICT Risk & Cybersecurity, Malta Financial Services Authority

**Prof Alexiei Dingli**, Associate Professor of Artificial Intelligence, University of Malta

**13:00**      **Concluding remarks by Mr Oliver Bonello**,  
Deputy Governor for Financial Stability, CBM

# Speakers

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**EDWARD SCICLUNA**  
GOVERNOR

Professor Edward Scicluna is the Governor of the Central Bank of Malta, after having served as Malta's Minister for Finance (2013-2020). He also served as an MEP and Vice-Chairman of ECON (2008-2013). His previous appointments included that of Professor and Head of the Department of Economics at the University of Malta (UoM), Chairperson of the Malta Financial Services Authority and Chairman of the Malta Council for Economic and Social Development. Professor Scicluna graduated from the University of Oxford with a Diploma with distinction in politics and economics; from the UoM with a First Class Honours BA degree. He read for his Master's and Doctorate in Economics at the University of Toronto.



**PAUL HIEBERT**  
HEAD OF SYSTEMIC RISK  
AND FINANCIAL  
INSTITUTIONS DIVISION  
EUROPEAN CENTRAL BANK

Mr Paul Hiebert heads the Systemic Risk and Financial Institutions Division of the European Central Bank (ECB). In this role, he leads systemic risk analysis for the euro area feeding into the ECB's flagship Financial Stability Review, as well as macroprudential policy for the largest euro area banks. Beyond this, Mr. Hiebert chairs the European Systemic Risk Board's Analytical Working Group / Eurosystem Macroprudential Analysis Group, the European Systemic Risk Board's Climate Risk Project Team, and has also led analytical work on climate for the Basel Committee on Banking Supervision. These roles build on over 20 years of experience within the ECB, the International Monetary Fund, the Reserve Bank of Australia and the Canadian Department of Finance in various capacities - spanning economic, financial and policy functions for a wide range of countries. He has published on a diverse set of topics, including financial cycles, climate change, global banking, macroprudential policy, housing markets, and fiscal policy. He holds an M.A. in Economics from McGill University in Montréal.

# Speakers

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**MICHELE ANDREANI**

PRINCIPAL RESEARCH  
ECONOMIST

STRESS TESTING AND  
RESEARCH OFFICE

Dr Michele Andreani has been serving as Principal Research Economist at the Central Bank of Malta's Financial Stability Research Office for almost three years. His research focuses on applied financial macroeconomics, time series econometrics, and network models. Dr Andreani has contributed to the development of forecasting models for Maltese banks' balance sheet items, and his work has appeared in international peer-reviewed journals, including the *International Review of Economics & Finance* and *Finance Research Letters*. Recently, in joint research with Dr William Gatt Fenech, he developed a bipartite network model of the Maltese banking system to identify communities of banks based on overlapping credit exposures, thereby characterising banks' business models through their credit risk profiles. Dr Andreani holds a Bachelor's degree, a Master's degree, and a Ph.D. from the Università Politecnica delle Marche.



**CHRISTINE BALZAN**

HEAD

MACROPRUDENTIAL POLICY,  
STRESS TESTING AND  
RESEARCH DEPARTMENT

Ms Christine Balzan holds an MSc Degree in Economics from the University of Malta. She has been working at the Central Bank of Malta since 2006 within the Financial Stability Division, where she currently serves as Head of the Macroeconomic Policy, Stress Testing and Research Department. Over the years she has contributed extensively to the development and enhancement of the Bank's stress testing frameworks, including the construction of models assessing both solvency and liquidity risks. Ms Balzan has also been seconded to the European Central Bank to support the quality assurance process for the EU-wide stress test exercise. In addition, she actively contributes to relevant ESRB, ECB and EBA working groups and has been involved in the drafting of key directives, policy tools, and analytical publications issued by the Central Bank of Malta including the annual Financial Stability Report and research analyses.

# Speakers

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**MATTEO PANFILO**

SENIOR RESEARCH  
ECONOMIST

STRESS TESTING AND  
RESEARCH OFFICE

Mr Matteo Panfilo is a Senior Research Economist within the Stress Testing and Research Office at the Central Bank of Malta. His work focuses on policy evaluation in the area of borrower-based measures, applying econometric and machine learning techniques to granular financial datasets. He served as a Research Analyst at the European Systemic Risk Board, where he contributed to reports for the General Board and developed surveillance tools using ESCB datasets such as AnaCredit, SHSS, CSDB, RIAD, and EMIR. Mr Panfilo holds a Master of Science in Economics and Finance from LUISS Guido Carli University in Rome.



**LUANA CAMILLERI**

SENIOR ECONOMIST  
ANALYST

FINANCIAL STABILITY  
SURVEILLANCE AND RISK  
ASSESSMENT DEPARTMENT

Ms Luana Camilleri is a Senior Financial Analyst within the Financial Stability Surveillance and Risk Assessment Department, responsible for insurance-related analysis and broader oversight of the non-bank financial sector. She joined the Central Bank of Malta over six years ago in the field of financial stability and has consistently contributed to the Bank's Financial Stability Report and Interim publications. Her work includes a publication that refined the Bank's methodology for assessing insurers' liquidity, designed to strengthen the evaluation of funding resilience and support the early identification of potential vulnerabilities within the sector. Her research interests lie in the interaction between macroeconomic developments and the performance of the insurance sector, with a particular focus on the factors driving the growth of gross written premia and their implications for financial stability and policy analysis. She holds an honours Bachelor's degree in Economics from the University of Malta and a Master's in Financial Management from the University of Manchester.

# Panellists

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**ALAN CASSAR**

CHIEF OFFICER

FINANCIAL STABILITY &  
STATISTICS

Mr Alan Cassar has over 20 years of experience in regulation across different industries. He currently holds the post of Chief Officer for Financial Stability & Statistics at the Central Bank of Malta, overseeing financial stability, risk management, crisis response, and macro-prudential policy. He is also responsible for the Bank's statistical operations and platforms. Mr Cassar sits on several high-level committees on both local and European levels.



**KENNETH FARRUGIA**

CHAIRPERSON, MALTA  
BANKERS' ASSOCIATION

Mr Kenneth Farrugia is the Chief Executive Officer of Bank of Valletta Group. He sits on the Bank's Board of Directors, chairs the Executive Committee and is a member of several management committees. Mr Farrugia is also a director on the Board of Directors of BOV Fund Services Limited, BOV Asset Management Limited and MAPFRE MSV Life plc. He is also Chair of the Malta Bankers' Association.

Mr Farrugia began his career at Bank of Valletta in 1985 and has occupied various executive positions covering the bank's asset management, retail banking, and credit business areas. Over the course of his career, he has also held various financial services related industry positions, including Chair of the Malta Asset Servicing Association, Board Member of the European Fund and Asset Management Association, Chair of FinanceMalta, Malta's national promotional body for the financial services industry as well as Chair of Malita Investments plc, which is listed on the Malta Stock Exchange.

Kenneth Farrugia is an alumnus of Harvard Business School, having completed the General Management Program.

# Panellists

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**NEIL MICALLEF**

MANAGER AI SUPERVISION  
AND MARKET  
SURVEILLANCE

MALTA DIGITAL INNOVATION  
AUTHORITY

Mr Neil Micallef leads AI supervision and market surveillance at the Malta Digital Innovation Authority, with a focus on implementation of regulatory frameworks on trustworthy, human-centric AI. Previously, he contributed to AI research at CERN in Geneva and managed local projects in critical infrastructure and transport, where he specialized in solutions architecture. Mr Micallef holds a Master's in Artificial Intelligence with distinction and is involved in AI research with the University of Malta, exploring the intersection of computer vision and biomedicine.



**JOSEPH MUSCAT**

SENIOR MANAGER OF  
SUPERVISORY ICT RISK &  
CYBERSECURITY

MALTA FINANCIAL SERVICES  
AUTHORITY

Mr Joseph Muscat is a cybersecurity professional with nearly 20 years of experience working across various industries. He has a strong track record of building productive relationships with stakeholders and leading projects focused on delivering quality service. Mr Muscat works with different teams to improve user experience and online safety. His expertise includes digital forensics, management, auditing, and problem-solving, which he applies to coordinate operations efficiently.

# Panellists

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**ALEXIEI DINGLI**

ASSOCIATE PROFESSOR OF  
ARTIFICIAL INTELLIGENCE

UNIVERSITY OF MALTA

Professor Alexiei Dingli is an AI expert and Professor at the University of Malta. With over 20 years of experience in the field, he has helped numerous companies successfully implement AI solutions. His work has been recognised as world-class by international experts, and he has received numerous awards from organisations such as the European Space Agency, the World Intellectual Property Organisation, and the United Nations. In addition to his considerable peer-reviewed publications, he is also a member of the Malta.ai task force, working to position Malta as a global leader in AI. He is also the founder of Digital Brain, an AI company specialising in training, consultancy, and developing innovative AI-driven solutions.



**WENDY ZAMMIT**

HEAD

FINANCIAL STABILITY  
SURVEILLANCE AND RISK  
ASSESSMENT DEPARTMENT

MODERATOR

Ms Wendy Zammit is the Head of Financial Stability Surveillance and Risk Assessment Department at the Central Bank of Malta. She oversees the Bank's efforts to identify and monitor systemic risks and vulnerabilities within the domestic financial system. Wendy also coordinates and contributes to the drafting of the Bank's Financial Stability Report and its interim. She and her team also collaborate with the Macroeprudential Policy, Stress Testing and Research Department, to develop policies that strengthen the resilience of the financial sector. Wendy is the Secretary of the Bank's Financial Stability Committee and a member of the European Central Bank's Macroeprudential Analysis Working Group and the European Systemic Risk Board's Analysis Working Group. Wendy holds an MSc in Financial Economics from the University of London and a BSc in Financial Services from the University of Manchester, UK.

# Speaker

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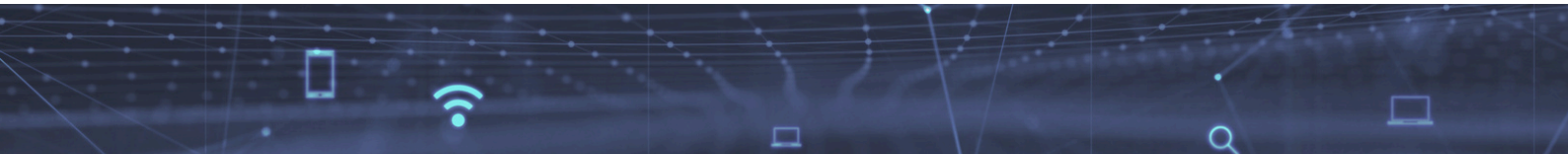
**OLIVER BONELLO**  
DEPUTY GOVERNOR  
FINANCIAL STABILITY

Mr Oliver Bonello is the Deputy Governor of the Central Bank of Malta responsible for Financial Stability. He represents the Central Bank as a member of the Supervisory Board of the ECB, SSM and the European Banking Authority as well as on the High Level Task Force for the Integrated Reporting Framework project of the ECB. He is also Chairman of the Bank's Statistics Committee, Risk Committee, and the Domestic Standing Committee. He is a member of the Bank's Financial Stability Committee and the Joint Financial Stability Board. Mr Bonello is also a member of the Supervisory Board of the Malta Development Bank. Over the years, he chaired or participated in various committees and working groups mainly related to financial stability both locally and abroad.

# Notes



A series of 20 horizontal lines for writing notes, arranged in a vertical column.





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