INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Financial Sector Surveillance

Vienna, Austria

March 6– 17, 2017

PROGRAM

Monday, March 6

8:30 a.m. – 9:00 a.m.		**Administrative Briefing**
9:00 a.m. –9:30a.m.		**Opening Session** Mr. Thomas Richardson, Director, JVI Mr. Gianni De Nicolò, IMF Mr. Adam Gersl, JVI Mr. Burkhard Drees, IMF Consultant
9:30 a.m. – 10:15 a.m.		**Quiz**
10:15 a.m.- 10:30 a.m.		**Coffee break**
10:30 a.m. – 12:15 p.m.	L-0	**Motivating Financial Sector Surveillance** *Mr. De Nicolò* • Course objectives and roadmap • Financial crises and vulnerabilities • The importance of macro-financial linkages
	Unit 1	**Business Model of Banks and Non-Bank Financial Intermediaries** *Mr. De Nicolò*
2:00 p.m. – 3:30 p.m.	L-1	• Banks' and Non-bank financial intermediaries' business models • A review of bank profitability, provisioning and capital • Bank and shadow bank linkages and measurement issues
3:45 p.m. – 5:15 p.m.	W-1	**Fundamentals of Financial Ratios Analysis**

Tuesday, March 7		
	Unit 2	**Market and Interest Rate Risk** *Mr. Drees*
9:00 a.m. – 12:15 p.m.	L-2	• Source of sensitivities to market risk: mark-to-market rules, duration, repricing gaps, and open positions • Market risk models (VaR, earnings-at-risk) • Market and interest risk mitigation: private practices (hedging) and regulation (Basel capital charges for market risk).
2:00 p.m. – 5:15 p.m.	W-2	**Workshop on Market and Interest Rate Risk**
Wednesday, March 8		
	Unit 3	**Credit risk** *Mr. Gersl*
9:00 a.m. – 12:15 p.m.	L-3	• The concept of default • Key credit risk indicators • Provisioning and regulatory rules in the area of credit risk
2:00 p.m. – 5:15 p.m.	W-3	**Workshop on Credit Risk**
Thursday, March 9		
	Unit 4	**The IMF's Financial Soundness Indicators** *Mr. Drees*
9:00 a.m. – 10:30 a.m.	L-4	• Overview of the IMF's Financial Soundness Indicators (FSIs) • Limits to FSIs • IMF's work in financial sector surveillance (FSAPs)
10:45a.m.- 12:15 p.m.	W-4	**Workshop on Financial Soundness Indicators**
	Unit 5	**Extracting Information from Credit Spreads** *Mr. Gersl*
2:00 p.m. – 3:30 p.m.	L-5	• Credit spread puzzle • Credit default swaps (CDS) • Calculating the PD from bond spreads and CDS spreads
3:45 p.m. – 5:15 p.m.	W-5	**Workshop on Extracting Information from Credit Spreads**

Friday, March 10		
	Unit 6	**Funding and Liquidity Risk** *Mr. Gersl*
9:00 a.m. – 10:30 a.m.	L–6	• Sources and measures of liquidity and funding risks risk • Scenario analysis for liquidity risk • Liquidity stress testing
10:45 a.m. – 12:15 p.m.	W-6	**Workshop on Liquidity Stress Testing**
	Unit 7	**Macro Stress Testing of Solvency** *Mr. Drees*
2:00 p.m. – 3:30 p.m.	L-7	• Key steps in designing macro stress tests for solvency • Calibration of shocks and assessing the impact on the banking sector
3:45 p.m. – 5:15 p.m..	W-7	**Workshop on Stress Testing**
Monday, March 13		
	Unit 8	**Sovereign Risk** *Mr. De Nicolò*
9:00 a.m. – 10:30 a.m.	L-8	• Indicators of sovereign risk • Regulatory treatment of sovereign exposures • Positive and negative aspects of linkages between the banking sector and sovereign entities
10:45 a.m. – 12:15 p.m.	W-8	**Workshop on Sovereign Risk**
	Unit 9	**Time Dimension of Systemic Risk** *Mr. Gersl*
2:00 p.m. – 3:30 p.m.	L-9	• Procyclicality (including leverage through the business cycle) • Key variables for surveillance of systemic risk accumulation • Early warning systems based on housing market prices and credit growth.
3:45 p.m. – 5:15 p.m.	W-9	**Workshop on Time Dimension of Systemic Risk**

Tuesday, March 14		
	Unit 10	**Cross-Sectional Dimension of Systemic Risk** *Mr. De Nicolò*
9:00 a.m. – 10:30 a.m.	L-10	• Identifying Systemically Important Financial Intitutions (SIFIs) • Network Analysis • VaR, CoVaR, and ΔCoVaR
10:45 a.m. – 12:15 p.m.	W-10	**Workshop on Cross-Sectional Dimension of Systemic Risk**
2:00 p.m. – 5:15 p.m.	O-1	**Preparation for participants' presentations**

Wednesday, March 15		
9:00 a.m. – 10:30 a.m.	**Unit 11**	**Systemic Liquidity Risk** *Mr. De Nicolò*
	L-11	• Market and funding liquidity • Funding/market liquidity and solvency • Systemic liquidity risk
10:45 a.m. – 12:15 p.m.	W-11	**Workshop on Systemic Liquidity Risk**
2:00 p.m. – 5:15 p.m.	O-2	**Preparation for participants' presentations** **Preparation for participants' presentations**

Thursday, March 16		
9:00 a.m. – 12:15 a.m.	O-3	**Preparation for participants' presentations**
2:00 p.m. – 3:30p.m.	O-4	**Participants' presentations (part 1)**
3:45 p.m. – 4:30p.m	O-4	**Participants' presentations (part 2)**
4:30p.m.-5:15p.m.	**Review**	**Course Review** Counselors

Friday, March 17		
9:00 a.m. – 10:30 a.m.	O-4	**Final quiz and quiz review**
10:30 a.m. – 12:00 p.m.		**Evaluations and Presentation of Certificates**