
INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Course on Economic Policies for Financial Stability (JV14.07)

Vienna, Austria

March 24 – April 4, 2014

PROGRAM*

Monday, March 24

8:30 a.m. – 9:00 a.m.		Administrative Briefing
9:00 a.m. – 9:15 a.m.		Opening Session Mr. Norbert Funke, Director, Joint Vienna Institute (JVI); Mr. Gianni De Nicolò and Ms. Luisa Zanforlin, Senior Economists, IMF Institute for Capacity Development (ICD); Mr. Adam Gersl, Senior Economist, JVI
9:15 a.m. – 10:15 a.m.		Quiz
10:30 a.m. – 12:15 p.m.	L-1	Overview: Systemic Risk and Financial Stability Mr. De Nicolò <ul style="list-style-type: none">• The nature of systemic risk and financial instability• Financial risk cycles• Micro- and macro-prudential perspectives of supervision
2:00 p.m. – 5:15 p.m.	L-2	Macro-Financial Linkages Mr. Gersl <ul style="list-style-type: none">• Financial stress and economic downturns• The role of information in finance• Financial accelerator models• Financial intermediaries and the macro economy

* Coffee breaks will be held from 10:30 a.m.–10:45 a.m. and from 3:30 p.m.–3:45 p.m., unless otherwise indicated.
Lunch breaks will be from 12:15 p.m.–2:00 p.m.

Tuesday, March 25

- 9:00 a.m. – 12:15 p.m. L-3 **Financial Risk Management**
 Ms. Zanforlin
- Market risk models
 - Credit risk models
- 2:00 p.m. – 5:15 p.m. W-1 **Workshop on Risk Management**
 Facilitated by Counselors
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Wednesday, March 26

- 9:00 a.m. – 12:15 p.m. L-4 **Banking Crises**
 Mr. De Nicolò
- Fragility of the financial system: a simple bank run model
 - Empirical regularities and policy responses
 - Case studies: Ireland and Northern Rock
- 2:00 p.m. – 5:15 p.m. L-5 **Balance of Payments and Sovereign Debt Crises**
 Ms. Zanforlin
- Empirical regularities of currency/BoP crises and sovereign debt crises
 - Recent examples: Latvia, East Asia, Euro area
 - Policy issues
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Thursday, March 27

- 9:00 a.m. – 12:15 p.m. L-6 **Financial Innovations and Leverage**
 Mr. Zanforlin
- Leverage
 - Credit derivatives
 - Securitization and basics of structured finance
- 2:00 p.m. – 5:15 p.m. L-7 **Detecting Financial Fragilities**
 Mr. De Nicolò
- Financial Soundness Indicators
 - Early warning models
 - Overview of the IMF's Early Warning Exercise
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Friday, March 28

- 9:00 a.m. – 12:15 p.m. L-8 **Stress Testing of Financial Systems**
 Mr. De Nicolò
- Five steps of stress testing
 - Types of stress tests
 - Applications: stress tests in the EU and U.S.
 - Limitations of stress tests
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2:00 p.m. – 5:15 p.m. W-2 **Workshop on Stress Testing**
Facilitated by Counselors

Monday, March 31

9:00 a.m. – 12:15 p.m. L-9 **Financial Contagion**
Mr. Gersl

- Channels of contagion: trade vs. financial linkages
- Theories of financial contagion
- Empirical evidence on competing theories of contagion

2:00 p.m. – 3:30 p.m. L-10 **Policies for Financial Stability and Crisis Management**
Ms. Zanforlin

- Safety Nets in the financial sector architecture
- Crisis Management Policies
- Macroeconomic Impact

3:45 p.m. – 5:15 p.m. L-11 **Micro-Prudential Regulation and Supervision**
Mr. Gersl

- Bank capital and liquidity requirements
- The Volcker Rule and ring-fencing

Tuesday, April 1

9:00 a.m. – 12:15 p.m. L-12 **Macro-Prudential Regulation and Surveillance**
Mr. Gersl

- Motivation and framework
- Macro-prudential instruments
- Implementation challenges

2:00 p.m. – 3:30 p.m. L-10 **Long-Term Banking Trends in CEE Countries:
Boom-Bust Cycles vs. Sound Catching-Up**
Mr. Gunter Deuber
Head of CEE Research, Raiffeisen Bank International, Vienna

3:45 p.m. – 5:15 p.m. W-3 **Preparation to participants' policy debate (Part I)**
Facilitated by Counselors

Wednesday, April 2

9:00 p.m. – 12:15 p.m. W-3 **Preparation to participants' policy debate (Part II)**
Facilitated by Counselors

2:00 p.m. – 5:15 p.m.	O-1	Participants’ policy debate Facilitated by Counselors
<i>Thursday, April 3</i>		
2:00 p.m. – 5:15 p.m.	W-4	Analyses of FSSA of Armenia, Poland and Turkey Facilitated by Counselors
2:00 p.m. – 3:30 p.m.	W-4	Analyses of FSSA of Armenia, Poland and Turkey Facilitated by Counselors
3:45 p.m. – 5:15 p.m.	O-2	Presentations of Analyses of FSSA of Armenia, Poland and Turkey Facilitated by Counselors
<i>Friday, April 4</i>		
9:00 a.m. – 10:00 a.m.		Quiz
10:15 a.m. – 11:30 a.m.	L-13	Discussion Panel on IMF’s FSAPs Mr. Daniel Hardy, Austrian FMA & IMF Mr. Maximillian Fandl, Oesterreichische Nationalbank
11:30 a.m. – 12:00 a.m.		Course Evaluations
12:00 a.m. – 12:30 a.m.		Feedback and Closing Session; Presentation of Certificates