# PROGRAM

**Monday, August 11**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Lecturer(s)</th>
<th>Details</th>
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<tbody>
<tr>
<td>8:30 a.m. – 9:00 a.m.</td>
<td>Administrative Briefing</td>
<td>Joint Vienna Institute (JVI)</td>
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<td>9:00 a.m. – 9:15 a.m.</td>
<td>Opening Session</td>
<td>Chaired by Mr. Norbert Funke, Director, JVI, and Mr. Marco Espinosa-Vega, Deputy Division Chief, Western Hemisphere Division, Institute for Capacity Development</td>
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<tr>
<td>9:15 a.m. – 12:30 p.m.</td>
<td>The Revised Core Principles for Effective Banking Supervision</td>
<td>Mr. Espinosa-Vega</td>
<td>Preconditions for effective banking supervision, Structure and assessment of core principles, Main developments since the 2006 version</td>
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<tr>
<td>2:00 p.m. – 3:30 p.m.</td>
<td>Risk Based Supervision: Overview</td>
<td>Messrs. Filipe Abreu and Rodolfo Pinto, Central Bank of Portugal and ECB</td>
<td>Why risk-based supervision? An overview of the Supervisory Risk Assessment Model</td>
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<tr>
<td>3:45 p.m. – 5:30 p.m.</td>
<td>Basel Capital Accords: Overview</td>
<td>Messrs. Abreu and Pinto</td>
<td>Historical review of the Basel Committee and the Basel Capital Accords, highlighting the main innovations in Basel II and III, Progress on Basel III implementation</td>
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**Tuesday, August 12**

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<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td>Basel Capital Accords: Key Aspects of Basel I</td>
<td>Messrs. Abreu and Pinto</td>
<td>Risk-weighted assets and risk-weight capital ratios, Capital and risk-weights definition, Pros &amp; Cons of Basel I</td>
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¹ Unless otherwise stated, coffee breaks are held from 11:00 a.m. – 11:30 a.m. and from 4:00 p.m. – 4:30 p.m. Lunch breaks will be from 12:30 p.m. – 2:00 p.m.
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| 10:45 a.m. – 12:30 p.m. | L–5      | **Basel Capital Accords: Key Aspects of Basel II** Lecture by Messrs. Abreu and Pinto  
- The three pillar structure of Basel II  
- Pillar 1: Minimum capital requirements  
- Pillar 2: Supervisory review  
- Pillar 3: Market discipline  
- Pros & Cons of Basel II |
| 2:00 p.m. – 5:30 p.m. | L/W–1    | **Basel II: Credit Risk Regulation** Lecture and Workshop by Messrs. Abreu, Espinosa-Vega, and Pinto  
- Credit risk - Standard approach: concepts and mechanics  
- Credit risk mitigation techniques  
- Workshop on calculation of credit risk capital requirements |

**Wednesday, August 13**

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| 9:00 a.m. – 12:30 p.m. | L/W–2    | **Basel II: Credit Risk Models & Validation** Lecture and Workshop by Messrs. Abreu and Pinto  
- Overview of the credit cycle: origination, management and recovery  
- Credit risk assessment models (ratings & scorings)  
- Internal Ratings Based approach: concepts and operationalization  
- Workshop on PD validation and calculation of credit risk capital requirements |
| 2:00 p.m. – 3:30 p.m. | L–6      | **Basel II: Market and Operational Risks** Lecture by Messrs. Abreu and Pinto  
- Operational risk: calculation of capital requirements under the basic indicator and the standardized approaches. Validation requirements to use advanced measurement approach;  
- Market risks: definition of market risks; calculation of capital requirements under the standardized and internal models approaches. Validation requirements to use internal models. |
| 3:45 p.m. – 5:30 p.m. | L/W–3    | **Basel II: Pillar 3 (disclosure) & Supervisory reporting** Lecture and Workshop by Messrs. Abreu and Pinto  
- Pillar 3 disclosure requirements  
- Supervisory reporting (COREP)  
- Workshop on supervisory reporting (COREP) |
Thursday, August 14

9:00 a.m. – 12:30 p.m. L–7  **Basel II: Risk Assessment under Pillar 2**
Lecture by Messrs. Abreu and Pinto
- Risk-based supervision – the Supervisory Risk and Evaluation Process (SREP)
- Banks’ Internal Capital Adequacy and Assessment Process (ICAAP)
- Interaction between SREP and ICAAP
- The relevance of the results of SREP from the perspective of home-host relation

2:00 p.m. – 5:30 p.m. W–1  **Case Studies**
Workshop by Messrs. Abreu and Pinto
- Risk assessment practices
- Banking crisis and regulatory response

Friday, August 15

9:00 a.m. – 12:30 p.m. L/W–4  **Financial Soundness Indicators and Introduction to Stress Testing**
Lecture and Workshop by Mr. Espinosa-Vega
- Hands-on-application of the FSIs and stress tests developed at the IMF

2:00 p.m. – 3:30 p.m. L/W–5  **Basel III: Capital, Leverage and Liquidity**
Lecture and Workshop by Messrs. Abreu, Espinosa-Vega and Pinto
- New on capital standards
- New rules on liquidity and leverage standards
- Operationalizing new liquidity standards

Monday, August 18

9:15 a.m. – 12:30 p.m. L/Q–1  **First week recap and quiz**
Lecture and quiz by Messrs. Abreu, Espinosa-Vega, and Pinto

2:00 p.m. – 5:30 p.m. L/W–6  **Identifying SIFISs and BIS’s Indicator-Based Approach**
Lecture and Workshop by Mr. Espinosa-Vega
Tuesday, August 19

9:00 a.m. – 12:30 p.m.  L–8  Regulating the Shadow Banking System
Lecture by Mr. Espinosa-Vega
- FSB progress report

2.00 p.m. – 5.30 p.m.  L–9  Beyond Basel III
Lecture by Mr. Pinto
- Differences between Basel III and the European rules (the CRD IV package)
- Crisis management: Early Intervention and Recovery and Resolution Plans (RRP)
- Insights on the Banking Union

Wednesday, August 20

9:00 a.m. – 12:30 a.m.  L/W–7  Basel II: ICAAP Assessment
Lecture and Workshop by Messrs. Abreu and Pinto
- Identifying relevant risks
- Workshop on identifying strengths and weaknesses by type of work

2:00 p.m. – 3:30 p.m.  L/W–8  Basel II: Scoring Risks and Controls
Lecture and Workshop by Messrs. Abreu and Pinto
- Quantifying risks and the controls implemented to mitigate them
- Using the results from L/W 7, workshop on scoring risks and controls

3:45 p.m. – 5:30 p.m.  L/W–9  Basel II: Supervisory Decisions
Lecture and Workshop by Messrs. Abreu and Pinto
- Risk assessment and possible supervisory actions
- Using the results from L/W 7 and L/W 8, workshop on supervisory decisions to be made based on the risk assessment of the bank
### Thursday, August 21

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<tr>
<td>9:00 a.m. – 12:30 p.m.</td>
<td>L/W–10</td>
<td><strong>College of Supervisors</strong>&lt;br&gt;Lecture and Workshop by Messrs. Abreu and Pinto&lt;br&gt;- The roles of home and host supervisors&lt;br&gt;- The relevance of home-host information sharing&lt;br&gt;- Best practices in the organization of supervisory colleges&lt;br&gt;- Joint assessment and decision on capital adequacy</td>
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<td>2:00 p.m. – 5:30 p.m.</td>
<td>W–2</td>
<td><strong>Meeting of College of Supervisors: A Simulation Workshop</strong>&lt;br&gt;Conducted by Messrs. Abreu and Pinto&lt;br&gt;- Using the results from L/W-7 to L/W-10, simulation of a college of supervisors, including discussions on the overall assessment of the banking group, corrective actions to be taken and resulting supervisory program</td>
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### Friday, August 22

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<tr>
<td>9:00 a.m. – 11:30 a.m.</td>
<td><strong>Round Table</strong></td>
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<td>11:45 a.m. – 12:30 p.m.</td>
<td><strong>Closing Session and Presentation of Certificates</strong></td>
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