

INTERNATIONAL MONETARY FUND
Joint Vienna Institute / IMF Institute for Capacity Development
Course on Core Elements of Banking Supervision (JV15.23 CBS)
Vienna, Austria
August 10 – 21, 2015
PROGRAM¹

Monday, August 10

8:30 a.m. – 9:00 a.m.		Administrative Briefing Joint Vienna Institute (JVI)
9:00 a.m. – 9:15 a.m.		Opening Session Chaired by Mr. Norbert Funke, Director, JVI, and Mr. Marco Espinosa-Vega, Deputy Division Chief, Western Hemisphere Division, Institute for Capacity Development
9:15 a.m. – 9:45 a.m.	L-0	Overview of the Course
9:45 a.m. – 10:30 a.m.	Q-1	Quiz
		Coffee break
10:45 a.m. - 12:30 p.m.	L-1	The Revised Core Principles for Effective Banking Supervision Lecture by Mr. Espinosa-Vega <ul style="list-style-type: none"> - Preconditions for effective banking supervision - Structure and assessment of core principles - Main developments since the 2006 version
2:00 p.m. – 3:30 p.m.	L-2	Risk Based Supervision: Overview Lecture by Messrs. Filipe Abreu and Rodolfo Pinto Central Bank of Portugal and ECB <ul style="list-style-type: none"> - Why risk-based supervision? - An overview of the Supervisory Risk Assessment Model
3:45 p.m. – 5:30 p.m.	L-3	Basel Capital Accords: Overview Lecture by Messrs. Abreu and Pinto <ul style="list-style-type: none"> - Historical review of the Basel Committee and the Basel Capital Accords, highlighting the main innovations in Basel II and III - Regulatory Consistency Assessment Program

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.

Tuesday, August 11

- 9:00 a.m. – 10:30 a.m. L-4 **Basel Capital Accords: Key Aspects of Basel I**
Lecture by Messrs. Abreu and Pinto
- Risk-weighted assets and risk-weight capital ratios
 - Capital and risk-weights definition
 - Pros & Cons of Basel I
- 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
- Standard approach
 - Internal Ratings Based approach
 - Credit risk mitigation
 - Credit risk capital requirements workshop
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Wednesday, August 12

- 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
- Internal Ratings Based (IRB) approach
 - Credit Risk Models
 - Topics on IRB implementation
 - PD validation and credit risk capital workshop
- 2:00 p.m. – 3:00 p.m. L/W-3 **Value at Risk and Expected Shortfall Workshop**
Lecture and Workshop by Mr. Espinosa-Vega
- 3:00 p.m. – 4:30 p.m. L/W-4 **Basel II: Market and Operational Risks**
Lecture and Workshop by Messrs. Abreu and Pinto
- Market risks: definition of market risks; calculation of capital requirements under the standardized and internal models approaches.
 - Validation requirements for internal models
 - Operational risk: capital requirements under the standardized approach.
 - Validation requirements for the advanced measurement approach
- 4:30 p.m. – 5:30 p.m. W-1 **Operational Risk Workshop**
Workshop by Messrs. Abreu and Pinto
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Thursday, August 13

9:00 a.m. – 11:15 a.m.	L-6	Basel II: Risk Assessment Under Pillar 2 Lecture by Messrs. Abreu and Pinto <ul style="list-style-type: none">- Risk-based supervision – the Supervisory Risk and Evaluation Process (SREP)- Banks' Internal Capital Adequacy and Assessment Process (ICAAP)- Interaction between SREP and ICAAP Coffee break
11:30 a.m. – 12:30 p.m.	L/W-5	Basel II: Pillar 3 (Disclosure) & Supervisory Reporting Lecture and Workshop by Messrs. Abreu and Pinto <ul style="list-style-type: none">- Pillar 3 disclosure requirements- Supervisory reporting (COREP)- Workshop on supervisory reporting (COREP)
2:00 p.m. – 5:30 p.m.	W-2	Case Studies Workshop by Messrs. Abreu and Pinto <ul style="list-style-type: none">- Risk assessment practices- Banking crisis and regulatory response

Friday, August 14

9:00 a.m. – 12:30 p.m.	L/W-6	Financial Soundness Indicators and Introduction to Stress Testing Lecture and Workshop by Mr. Espinosa-Vega <ul style="list-style-type: none">- Hands-on-application of the FSIs and stress tests developed at the IMF
2:00 p.m. – 5:00 p.m.	L/W-7	Basel III: Capital, Leverage and Liquidity Lecture and Workshop by Messrs. Abreu, Espinosa-Vega and Pinto <ul style="list-style-type: none">- New rules on capital standards- New rules on liquidity and leverage standards- Operationalizing new liquidity standards

Monday, August 17

9:15 a.m. – 10:30 a.m.	R-1	First week recap Lecture by Messrs. Abreu, Espinosa-Vega, and Pinto
10:45 a.m. – 12:30 p.m.	L-7	Beyond Basel III Lecture by Mr. Pinto <ul style="list-style-type: none">- 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- Total Loss Absorbing Capacity (TLAC) and Minimum Requirement for own funds and Eligible Liabilities (MREL)
2:00 p.m. – 5:30 p.m.	L/W-8	Identifying SIFISs and BIS's Indicator-Based Approach Lecture and Workshop by Mr. Espinosa-Vega

Tuesday, August 18

- 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/W-9 **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
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Wednesday, August 19

- 9:00 a.m. – 12:30 p.m. L/W-10 **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
- 2:00 p.m. – 3:30 p.m. L/W-11 **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
- 3:45 p.m. – 5:00 p.m. Q-2 **Quiz**
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Thursday, August 20

- 9:00 a.m. – 12:30 p.m. L/W-12 **College of Supervisors**
Lecture and Workshop by Messrs. Abreu and Pinto
- The roles of home and host supervisors
- The relevance of home-host information sharing
- Best practices in the organization of supervisory colleges
- Joint assessment and decision on capital adequacy
- 2:00 p.m. – 5:30 p.m. W-3 **Meeting of College of Supervisors: A Simulation Workshop**
Conducted by Messrs. Espinosa-Vega, Abreu and Pinto
- 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
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Friday, August 21

- 9:00 a.m. – 11:30 a.m. **Round Table**
Conducted by Messrs. Espinosa-Vega, Abreu and Pinto
- 11:45 a.m. – 12:30 p.m. **Closing Session and Presentation of Certificates**
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