

**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute / Institute for Capacity Development**

**Financial Sector Surveillance**

**Vienna, Austria**

**September 25 – October 6, 2017**

**PROGRAM**

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***Monday, September 25***

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8:30 a.m. – 9:00 a.m.		<b>Administrative Briefing</b>
9:00 a.m. – 9:30 a.m.		<b>Opening Session</b> Mr. Holger Floerkemeier, Deputy Director, JVI Mr. Adam Gersl, Senior Economist, JVI Mr. Christian Andrew Johnson, Senior Economist, ICD Mr. Marco Rodriguez Waldo, Senior Economist, ICD
9:30 a.m. – 10:15 a.m.		<b>Pre-course Test</b>
10:45 a.m. – 12:15 p.m.	L-0	<b>Motivating Financial Sector Surveillance: Macro-Financial Linkages and Crises</b> Mr. Adam Gersl  <ul style="list-style-type: none"><li>• <i>Financial crises and vulnerabilities</i></li><li>• <i>The importance of macro-financial linkages</i></li><li>• <i>Course objectives and roadmap</i></li></ul>
2:00 p.m. – 3:30 p.m.	L-1	<b>Business Model of Banks and Non-Bank Financial Intermediaries</b> Mr. Marco Rodriguez Waldo  <ul style="list-style-type: none"><li>• <i>Banks' and non-bank financial intermediaries' business models</i></li><li>• <i>A review of bank profitability, provisioning and capital</i></li><li>• <i>Bank and shadow bank linkages and measurement issues</i></li></ul>
3:45 p.m. – 5:30 p.m.	W-1	<b>Fundamentals of Financial Ratios Analysis</b>

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Unless otherwise noted, coffee breaks are from 10:30 a.m. – 10:45 a.m. and 3:30 p.m. – 3:45 p.m.  
Lunch will be held from 12:30 p.m. till 2:00 p.m.

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**Tuesday, September 26**

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9:00 a.m. – 10:30 a.m.	L–2	<b>The IMF’s Financial Soundness Indicators</b> Mr. Adam Gersl <ul style="list-style-type: none"><li>• <i>Overview of the IMF’s Financial Soundness Indicators (FSIs)</i></li><li>• <i>Limits to FSIs</i></li><li>• <i>IMF’s work in financial sector surveillance (FSAPs)</i></li></ul>
10:45 a.m. – 12:15 p.m.	W–2	<b>Workshop on Financial Soundness Indicators</b>
2:00 p.m. – 3:30 p.m.	L–3	<b>Market and Interest Rate Risk</b> Mr. Christian Andrew Johnson <ul style="list-style-type: none"><li>• <i>Source of sensitivities to market risk</i></li><li>• <i>Mark-to-market rules, duration, repricing gaps, and open positions.</i></li></ul>
3:45 p.m. – 5:15 p.m.	W–3	<b>Workshop on Market and Interest Rate Risk</b>

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**Wednesday, September 27**

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9:00 a.m. – 10:30 a.m.	L–4	<b>Value at Risk</b> Mr. Christian Andrew Johnson <ul style="list-style-type: none"><li>• <i>Market risk models (VaR, earnings-at-risk)</i></li><li>• <i>Market and interest risk mitigation: private practices (hedging) and regulation (Basel capital charges for market risk).</i></li></ul>
10:45 a.m. – 12:15 p.m.	W–4	<b>Workshop on Value at Risk</b>
2:00 p.m. – 3:30 p.m.	L–5	<b>Credit Risk: Main Concepts</b> Mr. Marco Rodriguez Waldo <ul style="list-style-type: none"><li>• <i>The concept of default</i></li><li>• <i>Key credit risk indicators</i></li></ul>
3:45 p.m. – 5:15 p.m.	W–5	<b>Workshop on Main Concepts in Credit Risk</b>

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**Thursday, September 28**

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9:00 a.m. – 10:30 a.m.	L-6	<b>Credit Risk: Provisioning</b> Mr. Adam Gersl
		<ul style="list-style-type: none"><li>• <i>Provisioning practices</i></li><li>• <i>Key regulatory rules in the area of credit risk</i></li></ul>
10:45 a.m. – 12:15 p.m.	W-6	<b>Workshop on Provisioning</b>
2:00 p.m. – 3:30 p.m.	L-7	<b>Extracting Information from Credit Spreads</b> Mr. Marco Rodriguez Waldo
		<ul style="list-style-type: none"><li>• <i>Credit spread puzzle</i></li><li>• <i>Credit default swaps (CDS)</i></li><li>• <i>Calculating the PD from bond spreads and CDS spreads</i></li></ul>
3:45 p.m. – 5:15 p.m.	W-7	<b>Workshop on Extracting Information from Credit Spreads</b>

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**Friday, September 29**

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9:00 a.m. – 10:30 a.m.	L-8	<b>Funding and Liquidity Risk</b> Mr. Marco Rodriguez Waldo
		<ul style="list-style-type: none"><li>• <i>Sources and measures of liquidity and funding risks risk</i></li><li>• <i>Scenario analysis for liquidity risk</i></li><li>• <i>Liquidity stress testing</i></li></ul>
10:45 a.m. – 12:15 p.m.	W-8	<b>Workshop on Liquidity Stress Testing</b>
	O-1	<b>Preparation for Participants' Presentations (Part I)</b>
2:00 p.m. – 2:30 p.m. & 2:30 p.m. – 5:15 p.m.		Introduction in the lecture room & Group work in workshop rooms

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**Monday, October 2**

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| 9:00 a.m. – 10:30 a.m.  | L–9  | <b>Macro Stress Testing of Solvency</b><br>Mr. Christian Andrew Johnson  |
|                         |      | <ul style="list-style-type: none"><li>• <i>Key steps in designing macro stress tests for solvency</i></li><li>• <i>Calibration of shocks and assessing the impact on the banking sector</i></li></ul>  |
| 10:45 a.m. – 12:15 p.m. | W–9  | <b>Workshop on Stress Testing</b>  |
| 2:00 p.m. – 3:30 p.m.   | L–10 | <b>Time Dimension of Systemic Risk</b><br>Mr. Adam Gersl   |
|                         |      | <ul style="list-style-type: none"><li>• <i>Procyclicality (including leverage through the business cycle)</i></li><li>• <i>Key variables for surveillance of systemic risk accumulation</i></li><li>• <i>Early warning systems based on housing market prices and credit growth.</i></li></ul> |
| 3:45 p.m. – 5:15 p.m.   | W–10 | <b>Workshop on Time Dimension of Systemic Risk</b>   |

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**Tuesday, October 3**

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| 9:00 a.m. – 10:30 a.m.  | L–11 | <b>Sovereign Risk</b><br>Mr. Christian Andrew Johnson   |
|                         |      | <ul style="list-style-type: none"><li>• <i>Indicators of sovereign risk</i></li><li>• <i>Regulatory treatment of sovereign exposures</i></li><li>• <i>Positive and negative aspects of linkages between the banking sector and sovereign entities</i></li></ul> |
| 10:45 a.m. – 12:15 p.m. | W–11 | <b>Workshop on Sovereign Risk</b>   |
| 2:00 p.m. – 3:30 p.m.   | L–12 | <b>Systemic Liquidity Risk</b><br>Mr. Marco Rodriguez Waldo   |
|                         |      | <ul style="list-style-type: none"><li>• <i>Market liquidity indicators</i></li><li>• <i>Funding/market liquidity funding loop</i></li><li>• <i>Fire sales and systemic risk</i></li></ul>   |
| 3:45 p.m. – 5:15 p.m.   | W–12 | <b>Workshop on Systemic Liquidity Risk</b>  |
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***Wednesday, October 4***

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9:00 a.m. – 10:30 a.m.	L-13	<b>Cross-Sectional Dimension of Systemic Risk</b> Mr. Christian Andrew Johnson <ul style="list-style-type: none"><li>• <i>Interconnectedness</i></li><li>• <i>Indicators based on Balance Sheet Data (including Network Analysis)</i></li><li>• <i>Indicators based on Market Data (including CoVaR, Expected Shortfall, and others)</i></li></ul>
10:45 a.m. – 12:15 p.m.	W-13	<b>Workshop on Cross-Sectional Dimension of Systemic Risk</b>
2:00 p.m. – 5:15 p.m.	O-2	<b>Preparation for Participants' Presentations (Part II)</b>

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***Thursday, October 5***

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9:00 a.m. – 12:15 p.m.	O-3	<b>Preparation for Participants' Presentations (Part III)</b>
2:00 p.m. – 3:30 p.m.	O-4	<b>Participants' Presentations (Groups 1+2)</b>
3:45 p.m. – 4:30 p.m.	O-4	<b>Participants' Presentations (Group 3)</b>
4:30 p.m. - 5:15 p.m.		<b>Post-course Test and Test Review</b>

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***Friday, October 6***

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9:00 a.m. – 10:30 a.m.	Guest Lecture  <b>Great (De-)Leveraging in Emerging Europe – What's Next? – An Analytical and Hands-On Assessment</b> Mr. Gunter Deuber, Head of Economics/Fixed Income/FX Research at Raiffeisen Bank International
10:45 a.m. – 12:15 p.m.	<b>Evaluations and Presentation of Certificates</b>