INTERNATIONAL MONETARY FUND

Institute for Capacity Development

Course on Financial Sector Surveillance
JV17.26

Vienna, Austria

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READING LIST

Unit	Topic
0	**Motivating Financial Sector Surveillance** Reinhart, Carmen and Kenneth Rogoff, 2009, "The Aftermath of Financial Crises", National Bureau of Economic Research, Working Paper 14656 (January), http://www.nber.org/papers/w14656.pdf Wyplosz, Charles, 2009, The ICMB-CEPR Geneva report: "The future of Financial Regulation, http://www.voxeu.org/article/financial-regulation-reform-goodhart-report
1	**Business Model of Banks and Non-Bank Financial Intermediaries** Van Greuning, Hennie, and Sonia Brajovic Bratanovic, 2009, Analyzing Bank Risk, World Bank, https://openknowledge.worldbank.org/bitstream/handle/10986/2618/482380PUB0Anal101OFFICIAL0USE0ONLY1.pdf?sequence=1&isAllowed=y European Commission, 2012, Non- bank financial Institutions, Economic papers n. 472 (November), http://ec.europa.eu/economy_finance/publications/economic_paper/2012/pdf/ecp472_en.pdf Financial Stability Board, 2015, "Global Shadow Banking Monitoring Report 2015" http://www.fsb.org/2015/11/global-shadow-banking-monitoring-report-2015/
2	**The IMF's Financial Soundness Indicators** Crowley, Joseph, and others, 2016, "Pilot Project on Concentration and Distribution Measures for a Selected Set of Financial Soundness Indicators," IMF Working Paper WP/16/26, http://www.imf.org/en/publications/wp/issues/2016/12/31/pilot-project-on-concentration-and-distribution-measures-for-a-selected-set-of-financial-43706 IMF, Financial Soundness Indicators Compilation Guide, http://fsi.imf.org/Default.aspx

	V. Sundararajan, Charles Enoch, Armida San José, Paul Hilbers, Russell Krueger,Marina Moretti, and Graham Slack, 2002, "Financial Soundness Indicators: Analytical Aspects and Country Practices", IMF Occasional Paper 212.
3 & 4	**Market and Interest Rate Risk** Conroy, Robert M., 1998, "Duration and Convexity," Darden Graduate School of Business Administration, University of Virginia. http://faculty.darden.virginia.edu/conroyb/Valuation/Val2002/F-1238.pdf Manganelli, Simone, and Robert F. Engle, 2001, "Value-at-Risk Models in Finance," ECB Working Paper no. 75. https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp075.pdf?759ddbfc3896a33f9555f23aeeb8a675 Jorion, Philippe, 2001, "Computing Value at Risk," in Value at Risk, 2nd edition, Ch. 5 (New York: McGraw-Hill) https://merage.uci.edu/~jorion/Answer.pdf
5 & 6	**Credit Risk: Main Concepts and Provisioning** Barisitz, S., 2013, "Nonperforming Loans in CESEE – An Even Deeper Definitional Comparison", OeNB Focus on European Economic Integration Q3/13, Vienna, Nonperforming Loans in CESEE – An Even Deeper Definitional Comparison D'Hulster, Katia, Salomao-Garcia, Valeria, Letelier, Raquel, 2014, "Loan classification and provisioning: current practices in 26 ECA countries - overview paper", World Bank Financial Sector Advisory Center (FinSAC) Working Paper Series Loan classification and provisioning: current practices in 26 ECA countries - overview paper Crouhy, Michael, Dan Galai, and Robert Mark, 2006, "New Approaches to Measuring Credit Risk," Chapter 11 in The Essentials of Risk Management (New York: McGraw-Hill). http://www.books.mec.biz/downloads/The_Essentials_of_Risk_Management/MzYyMTUyODIz
7	**Extracting Information from Credit Spreads** Amato, Jeffrey, and Eli Remolona, 2003, "The Credit Spread Puzzle," in Quarterly Review, December (Bank for International Settlements). http://www.bis.org/publ/qtrpdf/r_qt0312e.pdf O'Kane, D. and S. Turnbull, 2003, "Valuation of Credit Default Swaps." Lehman Brothers, *Fixed Income Quantitative Credit Research*. http://scholar.google.com/scholar?cluster=14907340265134746252&hl=en&as_sdt=0,9 Hull, John, and Alan White, 2000, "Valuing Credit Default Swaps I: No Counterparty Default Risk," *Journal of Derivatives*, Vol. 8, No. 1, pp. 29–40. http://www.gfigroup.com/portal/pdfs/CredDefSw1.pdf Hull, John, Mirela Predescu, and Alan White, 2005, "Bond Prices, Default Probabilities and Risk Premiums," *Journal of Credit Risk*, Vol. 1, No. 2, pp. 53–60. http://www.rotman.utoronto.ca/~hull/DownloadablePublications/CreditSpreads.pdf

8	**Funding and Liquidity Risk** Banque de France, 2008, Financial Stability Review – Special Issue Liquidity, https://publications.banque-france.fr/en/february-2008 Drehmann, M., Nikolaou, K., 2010, "Funding liquidity risk: definition and measurement," BIS Working Paper 316, http://www.bis.org/publ/work316.pdf Nikolaou, K., 2009, "Liquidity Risk Concepts – Definitions and Interactions," ECB Working Paper 1008/2009, https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1008.pdf?e87aba3a52137adea91048bf54801968
9	**Stress Testing** Čihák, Martin, 2007, "Introduction to Applied Stress Testing," IMF Working Paper 07/59. Demekas, Dimitri, "Designing Effective Macroprudential Stress Tests: Progress So Far and the Way Forward," IMF Working Paper 15/146, https://www.imf.org/external/pubs/ft/wp/2015/wp15146.pdf Henry, Jérôme, and Christoffer Kok, 2013, "A Macro Stress Testing Framework for Assessing Systemic Risks in the Banking Sector," ECB Occasional Paper no. 152, October https://www.ecb.europa.eu/pub/pdf/scpops/ecbocp152.pdf?d6abeaccc88f250577caff6f51130ecd IMF, 2012, "Macrofinancial Stress Testing Principles and Practices," IMF Policy Papers http://www.imf.org/external/np/pp/eng/2012/082212.pdf Moretti, Marina, Stolz, Stéphanie, and Swinburne, Mark, 2008, "Stress Testing at the IMF," http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.499.102&rep=rep1&type=pdf
10	**Time Dimension of Systemic Risk** Mendoza, Enrique G., and Marco E. Terrones, 2008, "An Anatomy of Credit Booms: Evidence from Macro Aggregates and Micro Data," NBER Working Paper No. 14049 (The National Bureau of Economic Research) http://www.nber.org/papers/w14049 Dell'Ariccia, Giovanni, and others, 2012, "Policies for Macrofinancial Stability: How to Deal with Credit Booms," IMF Staff Discussion Note 12/06. http://www.imf.org/external/pubs/ft/sdn/2012/sdn1206.pdf Arregui, et al., 2013, "Evaluating the Net Benefits of Macroprudential Policy: A Cookbook," IMF Working Paper 13/167. http://www.imf.org/external/pubs/ft/wp/2013/wp13167.pdf Drehmann, M., Juselius, M., 2013, "Evaluating early warning indicators of banking crises: Satisfying policy requirements," BIS Working Paper 421 http://www.bis.org/publ/work421.pdf

11	**Sovereign Risk** Acharya, Viral V., Itamar Drechsler, and Philipp Schnabl, 2014, "A Pyrrhic Victory? Bank Bailouts and Sovereign Credit Risk," Journal of Finance, Vol. 69, No. 6, 2689–2739, http://onlinelibrary.wiley.com/doi/10.1111/jofi.12206/abstract Borensztein, Eduardo and Ugo Panizza, 2008, "The Costs of Sovereign Default," IMF Working Paper 08/238, https://www.imf.org/external/pubs/ft/wp/2008/wp08238.pdf Committee on the Global Financial System, 2011, "The Impact of Sovereign Credit Risk on Bank Funding Conditions," CGFS Papers No. 43, Bank for International Settlements, http://www.bis.org/publ/cgfs43.pdf
12	**Systemic Liquidity Risk** Stefan W. Schmitz, Michael Sigmund, and Laura Valderrama, 2017, "Bank Solvency and Funding Cost: New Data and New Results", IMF Working Paper No. 17/116 http://www.imf.org/en/Publications/WP/Issues/2017/05/15/Bank-Solvency-and-Funding-Cost-New-Data-and-New-Results-44914 BCBS, 2013, "Liquidity Stress Testing: A Survey of Theory, Empirics and Current Industry and Supervisory Practices,", Working Paper No. 24. http://www.bis.org/publ/bcbs_wp24.htm Christian Schmieder, Heiko Hesse, Benjamin Neudorfer, Claus Puhr, and Stefan W. Schmitz, 2012, "Next Generation System-Wide Liquidity Stress Testing," IMF Working Paper, WP/12/3. https://www.imf.org/external/pubs/cat/longres.aspx?sk=25509.0 IMF, 2011, "How to Address the Systemic Part of Liquidity Risk," GFSR Chapter 2, https://www.imf.org/~/media/Websites/IMF/imported-flagship-issues/external/pubs/ft/GFSR/2011/01/pdf/_chap2pdf.ashx Brunnermeier, Markus, and Lasse Pedersen, 2009, "Market Liquidity and Funding Liquidity," Review of Financial Studies, Vol. 22, No. 6, pp. 2201–38. https://www.princeton.edu/~markus/research/papers/liquidity.pdf IMF, 2014, "Changes in Bank Funding Patterns and Financial Stability Risks," GFSR Chapter 3, http://www.imf.org/external/pubs/ft/gfsr/2013/02/pdf/c3.pdf

13	**Cross-Sectional Dimension of Systemic Risk** Adrian, T. and Brunnermeier, M. (2011). CoVaR. NBER Working Papers 17454, National Bureau of Economic Research http://www.nber.org/papers/w17454.pdf Acharya, V., Pederssen, L., Phillipon, T. and Richardson, M., 2010, "Measuring Systemic Risk," New York University, http://pages.stern.nyu.edu/~tphilipp/papers/Systemic.pdf Bisias, D., M. Flood, A. Lo, and Valavanis, S. (2012). A Survey of Systemic Risk Analytics Office of Financial Research, Working Paper 0001. A Survey of Systemic Risk Analytics Espinosa-Vega, Marco and Juan Sole, 2010, "Cross-border financial surveillance: a network perspective." IMF Working paper 105. https://www.imf.org/external/pubs/ft/wp/2010/wp10105.pdf IMF, 2009, "Assessing the Systemic Implications of Financial Linkages," GFSR Chapter 2 http://www.imf.org/external/pubs/ft/gfsr/2009/01/