

INTERNATIONAL MONETARY FUND

Institute for Capacity Development

**Course on Financial Sector Surveillance
JV18.06**

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READING LIST

| Unit | Topic |
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| L-0 | <p>Motivating Financial Sector Surveillance</p> <p>Reinhart, Carmen and Rogoff, Kenneth, January 2009, “The Aftermath of Financial Crises”, National Bureau of Economic Research, Working Paper 14656, http://www.nber.org/papers/w14656.pdf</p> <p>Wyplosz, Charles 2009, The ICMB-CEPR Geneva report: “The future of Financial Regulation, http://www.voxeu.org/article/financial-regulation-reform-goodhart-report</p> |
| L-1 | <p>Business Model of Banks and Non-Bank Financial Intermediaries</p> <p>Van Greuning, Hennie, and Sonia Brajovic Bratanovic, 2009, Analyzing Bank Risk, World Bank</p> <p>European Commission, 2012, “Non-Bank Financial Institutions,” Economic Papers n. 472, November ec.europa.eu/economy_finance/publications/economic_paper/2012/.../ecp472_en.pdf</p> <p>Financial Stability Board, 2015, <i>Global Shadow Banking Monitoring Report 2015</i> http://www.fsb.org/2015/11/global-shadow-banking-monitoring-report-2015/</p> |
| L-2 | <p>Market and Interest Rate Risk</p> <p>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</p> |
| L-3 | <p>Value at Risk</p> <p>Manganelli, Simone, and Robert F. Engle, 2001, “Value-at-Risk Models in Finance,” ECB Working Paper no. 75.</p> <p>Jorion, Philippe, 2001, “Computing Value at Risk,” in <i>Value at Risk</i>, 2nd edition, Ch. 5 (New York: McGraw-Hill). www.bancpath.com/2011/10/alm-basics-market-value-of-equity.html</p> |

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| | Duffie, Darrell and Jun Pan, 1997, An Overview of Value at Risk . |
| L-4 | <p>Introduction to Credit Risk</p> <p>Barisitz, S., 2013, "Nonperforming Loans in CESEE – An Even Deeper Definitional Comparison", OeNB Focus on European Economic Integration Q3/13, Vienna,</p> <p>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</p> <p>European Banking Authority, 2016, "Guidelines on the application of the definition of default". EBA, London.</p> |
| L-5 | <p>Credit Risk Modelling</p> <p>Bank for International Settlements, 1999, Credit Risk Modelling: Current Practices and Applications.</p> <p>Avesani, Renzo, Alin T Mirestean, Jean Salvati, and Kexue Liu, 2006, "Review and Implementation of Credit Risk Models of the Financial Sector Assessment Program (FSAP)", IMF Working Paper No. 06/134.</p> <p>Credit Suisse, 1997, CreditRisk+—A Credit Risk Management Framework (New York: Credit Suisse).</p> |
| L-6 | <p>The IMF's Financial Soundness Indicators</p> <p>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.</p> <p>IMF, Financial Soundness Indicators Compilation Guide.</p> <p>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.</p> |
| L-7 | <p>Extracting Information from Bond Spreads</p> <p>Amato, Jeffrey, and Eli Remolona, 2003, "The Credit Spread Puzzle," in <i>Quarterly Review</i>, December (Bank for International Settlements). http://www.bis.org/publ/qtrpdf/r_qt0312e.pdf</p> <p>Hull, John, Mirela Predescu, and Alan White, 2005, "Bond Prices, Default Probabilities and Risk Premiums," <i>Journal of Credit Risk</i>, Vol. 1, No. 2, pp. 53–60. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2173148</p> |
| L-8 | <p>Funding and Liquidity Risk</p> <p>Banque de France, 2008, Financial Stability Review 11 – Special Issue Liquidity.</p> <p>BCBS, 2013, "Liquidity Stress Testing: A Survey of Theory, Empirics and Current Industry and Supervisory Practices," Working Paper No. 24.</p> |

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| | <p>Brunnermeier, Markus, and Lasse Pedersen, 2009, “Market Liquidity and Funding Liquidity,” <i>Review of Financial Studies</i>, Vol. 22, No. 6, pp. 2201–38.</p> |
| L-9 | <p>Macro Stress Testing</p> <p>Čihák, Martin, 2007, "Introduction to Applied Stress Testing," IMF Working Paper 07/59.</p> <p>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</p> <p>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</p> <p>IMF, 2012, “Macrofinancial Stress Testing Principles and Practices,” IMF Policy Papers</p> |
| L-10 | <p>Sovereign Risk</p> <p>Acharya, Viral V., Itamar Drechsler, and Philipp Schnabl, 2014, “A Pyrrhic Victory? Bank Bailouts and Sovereign Credit Risk,” <i>Journal of Finance</i>, Vol. 69, No. 6, 2689–2739, http://onlinelibrary.wiley.com/doi/10.1111/jofi.12206/abstract</p> <p>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</p> <p>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</p> |
| L-11 | <p>Time Dimension of Systemic Risk</p> <p>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</p> <p>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</p> <p>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</p> |
| L-12 | <p>Cross-Sectional Dimension of Systemic Risk</p> |

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| | <p>Acharya, V., Pedersen, L., Phillipon, T. and Richardson, M., 2010, "Measuring Systemic Risk," New York University, http://pages.stern.nyu.edu/~tphilipp/papers/Systemic.pdf</p> <p>Espinoza-Vega, M., and J. Solé, 2010, "Cross-Border Financial Surveillance: A Network Perspective," IMF Working Paper, WP/10/105.</p> <p>IMF, 2009, "Assessing the Systemic Implications of Financial Linkages," GFSR Chapter 2, http://www.imf.org/external/pubs/ft/gfsr/2009/01/</p> |
| <p>L-13</p> | <p>Advances in Systemic Risk Monitoring</p> <p>Adrian, T. and Brunnermeier, M., 2011. "CoVaR," NBER Working Papers 17454, National Bureau of Economic Research, http://www.nber.org/papers/w17454.pdf</p> <p>Bisias, D., M. Flood, A. Lo, and Valavanis, S., 2012, A Survey of Systemic Risk Analytics, Office of Financial Research, Working Paper 0001.</p> <p>Segoviano, M., and C. Goodhart, 2009, "Banking Stability Measures," IMF Working Paper WP/09/4.</p> |