

International Program on Stress Testing, Risk Management and Supervision of Banks



Program Description

In the recent years, stress testing of banks and the banking system has gained in sophistication. Stress Tests are being designed for macroprudential surveillance by attempting to identify build-up of systemic risk and vulnerabilities in the financial system. Stress Tests as a crisis management tool have been used in the US and the European Union. Supervisory or Microprudential Stress Tests assess an individual bank's health and accordingly determine supervisory interventions for the institution. Authorities are using Stress Tests as a part of the regulatory capital framework by prescribing the minimum level of capital buffers that a bank must maintain even under stress situations. The systemic banks are subjected to a higher standard of stress testing compared to non-systemic banks.

The post crisis regulatory reforms have profound implications for risk management and capital planning in banks. The higher and better quality of capital and liquidity buffers contribute to the resilience of banks. The systemically important banks (SIBs) are required to maintain higher loss absorbency levels, implement higher standards of risk management, risk governance and controls and are subject to an enhanced regime of supervisory intensity and effectiveness. In order to minimise the negative impact of failure, SIBs need to put in place recovery plans and resolution authorities are required to implement resolution plans for SIBs.

In the Indian context, Reserve Bank of India has published the framework for Domestic Systemically Important Banks (DSIBs) and disclosed the list of Indian DSIBs. The 2015 Financial Stability Report of RBI assessed the resilience of the Indian banking system against macroeconomic shocks by using a series of macro stress tests for credit risk at the system, bank-group and sectoral levels.

Program Highlights

In the context of the above developments at the global and Indian level, the Program will focus on practical implementation of frameworks for Stress Testing and enhanced risk management. Experts from abroad and India will make presentations on topics such as:

Implementing Stress Testing Framework:

- International practices for Micro and Macro Stress Testing
- Strengthening stress testing framework in a bank
- Credit risk stress tests: The role of asset quality reviews
- Using stress test results as a supervisory tool
- Stress tests: Pitfalls and challenges for banks and for the authorities

Enhanced risk management and supervision of banks:

- Recent developments in risk management and capital planning: A supervisory perspective
- Liquidity risk management and supervisory expectations
- Implications of an enhanced Supervisory Intensity and Effectiveness regime for all banks, including SIBs
- Implementing higher standards of risk management, risk governance and controls in a SIB: issues and challenges from a bank's perspective
- Resolution of SIBs – International best practices

Program Conditions

- Program fee is payable before the program.
- Nomination may be cancelled up to seven days before the program.
- Organisation may depute another officer for the program, if the nominated person cannot attend the program.
- Program fees will not be refunded, if the nomination is cancelled within seven days of the program.

Date: January 19-20, 2016
Time: 9:15 AM to 5:30 PM
Venue: The Rendezvous, Taj Mahal Palace, Colaba, Mumbai
Type: Non-Residential program
Fee (per nomination):
Indian participant: Rs. 50,000/- + @14% service tax + @0.5% Swachh Bharat cess
Foreign participant: USD 1000

Nominations now open

For the **nomination form** please visit our site www.cafral.org.in Or click on the direct link below:

www.cafral.org.in/Stress-Testing

Participant Profile

- Senior officials of Central Banks, Supervisory Agencies, Deposit Insurance Agencies
- CGMs, GMs – in-charge of finance or risk management, Business Heads of banks

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