

€ TRAINING

Managing Financial System Risks



7 - 18 October 2024
Madrid (Spain)



Managing Financial System Risks

REF: F2293 DATE: 7 - 18 October 2024 Venue: Madrid (Spain) - Fee: 7950 Euro

Introduction:

This training program explores advanced techniques in financial contagion risk and network analysis, focusing on solvency and liquidity stress testing. It provides participants with the tools and methodologies needed to understand and manage systemic risks, ensuring financial stability in a complex and interconnected environment. It empowers participants to apply advanced analytical approaches to enhance risk management and regulatory compliance.

Program Objectives:

By the end of this program, participants will be able to:

- Understand the fundamentals of financial contagion risk and its implications.
- Apply network analysis techniques to identify and assess systemic risks.
- Conduct solvency and liquidity stress testing to evaluate financial stability.
- Develop strategies to manage and mitigate contagion risks.
- Interpret stress test results to inform decision-making and regulatory compliance.

Targeted Audience:

- Risk Managers.
- Financial Analysts.
- Treasury Professionals.
- Regulatory Compliance Officers.
- Financial Stability Analysts.

Program Outline:

Unit 1:

Introduction to Financial Contagion Risk:

- Definition and concepts of financial contagion.
- Historical examples of financial contagion events.

- Mechanisms and channels of contagion risk.
- Impact of contagion on financial stability and systemic risk.

Unit 2:

Network Analysis in Financial Systems:

- Basics of network theory and its application to finance.
- Techniques for mapping and analyzing financial networks.
- Identifying key nodes and links in financial networks.
- Assessing network vulnerabilities and potential risks.

Unit 3:

Solvency Stress Testing:

- Understanding solvency and its importance in risk management.
- Methods for conducting solvency stress tests.
- Designing stress scenarios and evaluating their impact.
- Interpreting results and implications for financial institutions.
- Case studies on solvency stress testing.

Unit 4:

Liquidity Stress Testing:

- Overview of liquidity risk and its implications.
- Techniques for liquidity stress testing.
- Developing and applying liquidity stress scenarios.
- Analyzing liquidity needs and potential shortfalls.

Unit 5:

Integrating Contagion Risk with Stress Testing:

- Combining network analysis with solvency and liquidity stress testing.

- Assessing the impact of contagion on stress test outcomes.
- Developing integrated risk management strategies.
- Real-world examples of integrated risk assessment.
- Case studies on managing contagion risk through stress testing.

Unit 6:

Regulatory Frameworks and Requirements:

- Overview of regulatory requirements for stress testing and risk management.
- Key regulations and guidelines related to financial contagion and stress testing.
- Compliance and reporting standards.
- Impact of regulatory changes on risk management practices.
- Case studies on regulatory compliance.

Unit 7:

Advanced Analytical Techniques:

- Use of statistical and computational methods in risk analysis.
- Implementing advanced modeling techniques for stress testing.
- Leveraging big data and machine learning in risk assessment.
- Tools and software for financial contagion and stress testing.
- Examples of advanced analytical techniques in practice.

Unit 8:

Communication and Reporting of Stress Test Results:

- Best practices for reporting stress test results to stakeholders.
- Effective communication of risk findings and implications.
- Developing comprehensive risk reports and presentations.
- Addressing stakeholder concerns and feedback.
- Case studies on reporting and communicating risk results.

Unit 9:

Developing Risk Management Strategies:

- Designing risk management frameworks to address contagion risk.
- Implementing strategies to mitigate and manage systemic risk.
- Monitoring and adjusting risk management approaches.
- Integrating risk management into organizational processes.
- Examples of successful risk management strategies.

Unit 10:

Future Trends and Challenges:

- Emerging trends in financial contagion and network analysis.
- Challenges in evolving financial environments and regulatory landscapes.
- Innovations in stress testing and risk management.
- Preparing for future risks and uncertainties.
- Action planning for enhancing risk management practices.