



TRAINING COURSE

UNDERSTANDING THE SUPERVISORY REVIEW AND EVALUATION PROCESS (SREP)

Organised by: The Florence School of Banking and Finance

Course Instructors:

Slavka Eley | European Banking Authority

Oleg Shmeljov | European Banking Authority

Sala Europa

Villa Schifanoia, Via Boccaccio 121 - Florence

5-6 APRIL 2018

PROGRAMME

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09.00 - 09.15 Welcome and Introductory Remarks by **Pierre Schlosser** | Florence School of Banking and Finance

09.15 - 09.45 **Session 1: Introduction to prudential supervision and its objectives**

- Understanding role and objectives of prudential supervisions
- Supervisory toolbox (processes and measures)
- Role of SREP and interaction with other supervisory processes

09.45 - 10.30 **Session 2: Overview of the common SREP framework and the EBA SREP Guidelines**

- General overview of the common SREP framework
- SREP process
- Scoring: risk and viability scores
- Proportionality

- 10.30 - 11.00 *Coffee break*
- 11.00 - 11.45 **Session 2** continues
- 11.45 - 13.00 **Session 3: Assessment of internal governance and institution-wide controls**
- Assessment of internal governance framework
 - Assessment of risk management framework, including ICAAP and ILAAP
- 13:00 - 14.00 *Lunch*
- 14.00 - 15.30 **Session 4: Understanding business models and Business model analysis (BMA)**
- Understanding importance of business models
 - Factors affecting banks' business models
 - Key concepts and considerations of BMA
 - Assessing a business model's viability and the sustainability of a strategy
- 15.45 - 16.30 *Coffee break*
- 15.45 - 16.30 **Session 5: Impact of FinTech on banks' business models**
- Key findings from the EBA analysis of the impact of FinTech on banks' business model

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- 09.30 - 10.15 **Session 6: Assessment of risks to capital**
- General elements of risk assessment
 - Scoring and use of risk assessment
- 10.15 - 10.45 **Session 7: Supervisory stress testing**
- Key concepts of supervisory stress testing
 - Uses of outcomes of supervisory stress testing in supervision
- 10.45 - 11.30 **Session 8: Assessment of capital adequacy**
- Framework for the assessment of capital adequacy
 - Determination and articulation of additional capital requirements (P2R) and Pillar 2 capital guidance (P2G)

- Interaction with CRD capital buffers and macroprudential measures

11.30 -11:45

Coffee break

11.45 - 12.45

Session 9: Case study / group exercise on the assessment of capital adequacy

- Case study / group exercise focusing on the assessment of capital adequacy, determination and articulation of additional capital requirements, their reconciliation with macro-prudential measures and CRD capital buffers.

12.45 - 13.45

Lunch

14.45 - 15.45

Session 10: Assessment of liquidity and funding risks and liquidity adequacy

- General framework for assessing risks to liquidity and funding
- Assessment of liquidity adequacy and use of benchmarks
- Determination and articulation of additional liquidity requirements

15.45 - 16.00

Session 11: Using SREP outcomes for crisis management and resolution purposes

- Brief introduction to crisis management framework: recovery and resolution planning, early intervention regime
- Link between SREP and assessment of banks' recovery plans
- SREP outcomes and triggers for early intervention measures
- Determination of whether an institution is 'failing or is likely to fail' and interaction with resolution authorities

15.45 - 16.00

Concluding remarks, group feedback discussion