



PROFESSIONAL TRAINING COURSE

FLORENCE SCHOOL OF BANKING AND FINANCE

STRESS TESTING THE FINANCIAL SECTOR

Instructors

Til Schuermann | Oliver Wyman

Mario Quagliariello | European Banking Authority

Klaus Düllmann | Single Supervisory Mechanism

John Fell | European Central Bank

Theatre

Badia Fiesolana, Via dei Roccettini 9 - San Domenico di Fiesole (Fiesole, Florence)

8 - 10 APRIL 2019

PROGRAMME

8 APRIL

13.20 - 13.30 *Welcome Coffee*

13.30 - 14.00 **Welcome introduction and presentation of the School followed by a tour de table**

14.00 - 15.40 **Session 1. Introduction and history: stress test in the US and EU
Til Schuermann and Mario Quagliariello**

- What is stress testing
- Stress testing from crisis to peace time
- EU vs. US experience and approach

15.40 - 16.00 *Coffee break*

16.00 - 17.30 **Session 2. Risk narrative and scenario design for authorities and financial institutions
Til Schuermann and John Fell**

- Identification of key risks and vulnerabilities



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- Designing a scenario

19.30 *Dinner in the restaurant Cucineria La Mattonaia (Via della Mattonaia, 19R, 50121 Firenze)*

9 APRIL

09.00 - 11.00 **Session 3. Risk coverage**
Til Schuermann

- Overview of risks covered and key methodological aspects
- Credit
- Market
- Nonfinancial risks
- PPNR

11.00 - 11.30 *Coffee break*

11.30 - 13.00 **Session 4. Deep dive: credit risk and the impact of prudential and accounting standards**
Mario Quagliariello

- Key metrics for assessing banks in stress testing
- How to deal with changing regulation
- The impact of accounting rules
- Simplifying complexity

13.00 - 14.00 *Lunch*

14.00 - 15.00 **Session 5. Case study: the EU wide stress test**
Mario Quagliariello

Key features of EU wide stress test

- Presentation of 2018 results
- Tools for exploiting stress test data

15.00 - 15.30 *Coffee break*

15.30 - 17.45 **Session 6. Practical exercise: design your scenario**
Til Schuermann and Mario Quagliariello

- Introduction of the exercise
- Team work and presentation

- Follow up

18.00 - 19.30

Guided tour on the History of Banking and Finance in Florence

10 APRIL

09.30 - 11.00

Session 7. Quality assurance in stress testing

Klaus Düllmann

- Quality assure bottom up models
- Benchmarking
- Top down models

11.00 - 11.30

Coffee break

11.30 - 13.00

Session 8. Stress Testing: other applications

Til Schuermann

- Other applications: limit setting, risk appetite, performance assessment, planning
- Other institutions: CCPs, insurers
- Climate risk

13.00

Sandwiches will be served at the end of the session

■ PARTICIPANTS

Sasa Cerovac	Addiko Bank
Nikoloz Charkviani	JSC Cartu Bank
Rodrigo Debs	Central Bank of Brazil
Andrea Falconio	European Central Bank
Hugo Freitas	EBA
Jose Mario Guerreiro Lopes	Bank of America
Loftur Hreinsson	Financial Supervisory Authority, Iceland
Sojin Hyun	The Bank of Korea
Nicholas Kakouros	Cyprus Securities and Exchange Commission
Eliisa Kaloinen	Central Bank of Iceland
Valentina Kondziorha	Financial and Capital Market Commission
Givi Lebanidze	JSC Cartu Bank
Déborah Leboullenger	European Mortgage Federation - European Covered Bond Council
Rosanna Lynch	Central Bank of Ireland
Davit Nikolaishvili	JSC Cartu Bank
Lenka O'Reilly	Central Bank of Ireland
Dimitris Papageorgiou	Deutsche Bundesbank
Paola Paulucci	European Banking Authority
Bernd Rummel	European Banking Authority
Andreas Stifel	Financial Market Authority Liechtenstein
Andres Williams	European Stability Mechanism
Christy Ann Petit	European University Institute
Fabiana Grasso	IVASS
Maria Carlotta Ricci	IVASS
Viktoría Tsekova	Bulgarian National Bank
Elena Sedano Varo	European University Institute