

File No.13020/9/2017-IES
Government of India
Ministry of Finance
Department of Economic Affairs
IES Cadre Division

Room No.251, North Block,
New Delhi, Dated: 14th September, 2017

OFFICE MEMORANDUM


Subject: One week training on Financial Sector Surveillance at South Asia Regional Training and Technical Assistance Centre (SARTTAC), IMF, New Delhi - invitation for application reg.

South Asia Regional Training and Technical Assistance Centre (SARTTAC), IMF, is organizing a one week training programme on the captioned subject from 18th - 26th September, 2017. The details of the course are at **Annexure I**.

2. The interested officers, with the approval of the Competent Authority/ies and through proper channel in the concerned Ministries/ Departments/ Organisations, may confirm their participation, under intimation to this Department, directly to Dr. Mangal Goswami, Deputy Director, SARTTAC at the earliest. (email: MGoswami@imf.org; contact no: +91 11 49281002, Mob: 8800818325).

3. It is also mentioned that the course is completely sponsored by the SARTTAC and participation fee in no form has to be borne by the participants. However, TA/DA as applicable for the nominated officers is required to borne by the Ministry/Department/Organization concerned.

4. This issues with the approval of the Competent Authority.


14.09.17

(Arya B K)
Assistant Director (IES)
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Copy to :

- (i) **Dr. Mangal Goswami, Deputy Director, IMF SARTTAC, New Delhi via email.**
- (ii) **All IES Officers via email**

IMF – South Asia Training and Technical Assistance Center (SARTTAC)

Course on Financial Sector Surveillance (SA17.18)

Delhi

September 18 – 26, 2017

PROGRAM

Monday, September 18

8:30 a.m. – 9:00 a.m.

Administrative Briefing

9:00 a.m. – 9:45 a.m.

Quiz

9:45 a.m. – 12:30 p.m.

L-1

Motivating Financial Sector Surveillance: Macro-financial Linkages and Crises

Ms. Laura Kodres

Assistant Director

Asian Division

Institute for Capacity Development

- Financial crises and vulnerabilities
- Importance of macro-financial linkages and systemic risk
- Course objectives and roadmap

2:00 p.m. – 3:30 p.m.

L-2

Detecting Financial Vulnerabilities: Financial Ratio and Financial Soundness Indicators

Mr. Geoff Heenan

Senior Economist

Institute for Capacity Development

- Detecting vulnerabilities: balance sheet approach
- The IMF's Financial Soundness Indicators (pros and cons)
- IMF's work on financial sector surveillance (FSAPs)

4:00 p.m. – 5:30 p.m.

W-1 **Workshop on Financial Soundness Indicators**

Mr. Heenan, Ms. Kodres, and Mr. Siddique

Tuesday, September 19

9:00 a.m. – 12:30 p.m.

L-3 **Introduction to Credit Risks**
Mr. Akhtarur Siddique

Deputy Director, Enterprise Risk Analysis Division
Office of the Comptroller of the Currency, U.S. Treasury

Research Professor at University College Dublin

- The concept of default
- Key credit risk indicators
- Provisioning and regulatory rules for credit risk mitigation

2:00 p.m. – 5:30 p.m.

W-2 **Workshop on Credit Risk Parameters**
Mr. Heenan, Ms. Kodres, and Mr. Siddique

Wednesday, September 20

9:00 a.m. – 12:30 p.m.

L-4 **Market and Interest Rate Risks**
Mr. Siddique

- Sources of sensitivities to market risk
- Market risk models: VaR, Expected Shortfall, Earnings-at-Risk
- Market and interest rate risk mitigation: private practices (hedging) and regulation (Basel capital charges for interest rate risk)

2:00 p.m. – 5:30 p.m.

W-3 **Workshop: Value at Risk**
Mr. Heenan, Ms. Kodres, and Mr. Siddique

Thursday, September 21

9:00 a.m. – 12:30 p.m.

L-5

Funding and Liquidity Risks

Mr. Heenan

- Sources and measures of liquidity and funding risks
- Scenario analysis for liquidity risk
- Funding/market liquidity funding loop
- Fire sales and systemic risk
- Liquidity stress testing

2:00 p.m. – 5:30 p.m.

W-4

Workshop: Liquidity Stress Testing

Mr. Heenan, Ms. Kodres, and Mr. Siddique

Friday, September 22

9:00 a.m. – 12:30 p.m.

L-6

Macro Stress Testing (of Solvency)

Mr. Siddique

- Key steps in designing stress tests
- Types and uses of stress tests
- Calibration of shocks and assessing the impact on the banking system
- Interpretation and disclosure of results

2:00 p.m. – 3:30 p.m.

W-5

Workshop on Stress Testing

Mr. Heenan, Ms. Kodres, and Mr. Siddique

4:00 p.m. – 5:30 p.m.

L-7

Mid-course Review

Ms. Kodres

Monday, September 25

9:00 a.m. – 12:30 p.m.

L-8

Time Series Dimension of Systemic Risk

Mr. Heenan

- Procyclicality (including leverage through the business cycle)
- Key variables for surveillance for systemic risk accumulation
- Early warning systems

2:00 p.m. – 3:30 p.m.

W-6

Workshop on Time-series Dimension of Systemic Risk

Mr. Heenan, Ms. Kodres, and Mr. Siddique

4:00 p.m. – 5:30 p.m.

L-9

Lecture on Sovereign Risk

Ms. Kodres

- Indicators of sovereign risk
 - Regulatory treatment of sovereign exposures
 - Linkages between banking sector and sovereign entities
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Tuesday, September 26

9:00 a.m. – 10:30 a.m.	L-10	Cross-sectional Dimension of Systemic Risk Ms. Kodres	<ul style="list-style-type: none">• Interconnectedness• Indicators based on balance sheet data• Network analysis
11:00 a.m. – 12:30 p.m.	W-7	Workshop: Network Model Mr. Heenan, Ms. Kodres, and Mr. Siddique	
2:00 p.m. – 3:30 p.m.	L-11	Non-Financial Corporate Sector Risks Mr. Heenan	<ul style="list-style-type: none">• Linkage with other sectors• Key financial indicators• Methods to assess bankruptcy risks: z-scores and KMV
3:30 p.m. – 4:00 p.m.	L-12	Second-half Review of Course	
4:00 p.m. – 4:45 p.m.	O-1	Quiz	
4:45 p.m. – 5:15 p.m.		Closing Session and Presentation of Certificates	

For further information regarding the course and application, you may contact Ms. Ananya Sharma at +91 11 49281017, email at asharma@imf.org or Mr. Debraj Chaudhuri at +91 11 49281024, email at dchaudhuri@imf.org.