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.

(Arya B K)
Assistant Director (IES)
Ph: 011-2309-2491
Email id: arya.kumari@gov.in

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

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**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

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**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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<tr>
<th>Time</th>
<th>Room</th>
<th>Event Description</th>
<th>Presenter(s)</th>
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<tbody>
<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td>L-10</td>
<td><strong>Cross-sectional Dimension of Systemic Risk</strong></td>
<td>Ms. Kodres</td>
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<td>• Interconnectedness</td>
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<td>• Indicators based on balance sheet data</td>
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<td>• Network analysis</td>
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<td>11:00 a.m. – 12:30 p.m.</td>
<td>W-7</td>
<td><strong>Workshop: Network Model</strong></td>
<td>Mr. Heenan, Ms. Kodres, and Mr. Siddique</td>
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<td>2:00 p.m. – 3:30 p.m.</td>
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<td><strong>Non-Financial Corporate Sector Risks</strong></td>
<td>Mr. Heenan</td>
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<td>• Linkage with other sectors</td>
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<td>• Key financial indicators</td>
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<td>• Methods to assess bankruptcy risks: z-scores and</td>
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<td>3:30 p.m. – 4:00 p.m.</td>
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<td><strong>Second-half Review of Course</strong></td>
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<td>4:00 p.m. – 4:45 p.m.</td>
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<td><strong>Quiz</strong></td>
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<td>4:45 p.m. – 5:15 p.m.</td>
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<td><strong>Closing Session and Presentation of Certificates</strong></td>
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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.