

Organised by:

General Council for Islamic
Banks and Financial Institutions



المجلس العام للبنوك
والمؤسسات المالية الإسلامية

Hosted by:



TÜRKİYE CUMHURİYET
MERKEZ BANKASI

Technical Workshop on Stress Testing for Islamic Financial Institutions (IFIs)

11 - 13 June 2019 | Istanbul, Turkey





About CIBAFI

The General Council for Islamic Banks and Financial Institutions (CIBAFI) is a non-profit institution that represents Islamic financial institutions (IFIs) worldwide. It was founded by the Islamic Development Bank (IDB) and a number of leading Islamic financial institutions. CIBAFI is affiliated with the Organisation of Islamic Cooperation (OIC). Established on 16 May 2001 by an Emiri special decree, in the Kingdom of Bahrain, today with over 130 members from over 34 jurisdictions, CIBAFI is recognised as a key component of the international architecture of the Islamic finance industry.

Its mission is to support the Islamic financial services industry in the form of a leading industry voice in advocating regulatory, financial and economic policies which are in the broad interest of CIBAFI's members and which foster the development of the Islamic financial services industry and sound industry practices.

CIBAFI's members vary from Islamic banks, multilateral banks, international standard setting organisations, regulators and other professional service firms.

About Istanbul School of Central Banking (İMB)

The Istanbul School of Central Banking (İMB), founded by the Central Bank of the Republic of Turkey in 2013, provides a scene for thought-provoking discussions and analysis on global economic and financial challenges with a special emphasis on central banking topics.

The İMB gives high priority to collaboration among central banks, related policy institutions and academics. Against this backdrop of perspective, the School organizes research activities, technical cooperation and training programs. The main objective of these programs is to stimulate a better understanding of the financial and economic developments which are of interest to central banks and other related policy institutions.

All İMB programs are tailored to elicit distinct ideas from the participants using their backgrounds. The aim of gathering experiences, practices and views from all around the globe lies at the heart of all the İMB's activities hence the School serves as a meeting point where the central bankers and scholars can discuss contemporary topics, exchange experiences and ideas and give lectures. As a reflection of this, the İMB has been hosting an increasing number of participants and widening its outreach among the global central banking community.



About the Technical Workshop

With the rapidly changing macroeconomic environment as well as bank unique vulnerabilities, Stress Testing aims to alert banks to adverse unexpected outcomes related to a variety of risks and provides an indication of how much capital might be needed to absorb losses should large shocks occur.

This Technical Workshop on Stress Testing aims to shed light on the main guidelines underpinning sound stress tests and examine different stress testing scenarios that address multiple types of risks, looking at their interrelated effects on the overall financial position and performance of the portfolio, the institution itself as well as the overall financial system. It incorporates risk specificities of Shariah-compliant contracts when conducting stress tests on an IFI and looks at key regulatory initiatives in this regard.

Technical Workshop Objectives

This technical workshop aims to:

- Enhance the participants' understanding of the Stress Testing Standards and Guiding Principles that are specific to IFIs;
- Assist the participants in the practical application of issues addressed in the Stress Test standards through case studies, hands-on exercises and other interactive tools; and
- Promote the sharing of experiences among the participants on the area of stress testing, its practical implications and differences from its conventional counterparts.

Day 1: 11th June 2019

9:00 – 9:30	Opening Session <ul style="list-style-type: none"> • Welcoming Remarks by CIBAFI • Welcoming Remarks by Central Bank of Turkey
9:30 - 11:00	Session 1 Overview of Stress Testing for Banks <ul style="list-style-type: none"> • Purpose and Objectives of Banking Stress Testing • Main Guidelines Underpinning Sound Stress Tests • Stress Testing in Banks: Industry Application
11:00 - 11:30	Coffee break
11:30 - 12:30	Session 2 Risk Specificities of Islamic Financial Institutions <ul style="list-style-type: none"> • Stress Testing according to IFIs' Structures • Specificities of Risk Exposures in IFIs • Stress Tests Models and Designs
12:30 - 13:00	Experience Sharing session
13:00 - 14:00	Lunch
14:00 - 16:00	Session 3 Recent Developments in Stress Testing and Outlook of Current Practices <ul style="list-style-type: none"> • Recent work on Stress Testing by Standard Setting Bodies: BCBS & IFSB • Cross-border Macro Stress Testing • Best Practices and Experience Sharing

Day 2: 12th June 2019

9:00 - 10:30	Session 4 Credit Stress Tests <ul style="list-style-type: none"> • Identification of Credit Risk (CR) in IFIs • Use of Different Levels of Shocks & Transition Matrix • Calculation of CR • Case Study
10:30 - 11:00	Experience Sharing Session
11:00 - 11:30	Coffee break
11:30 - 12:30	Session 5 Operational Stress Tests <ul style="list-style-type: none"> • Identification of Operational Risk (OR) & Rate of Return Risk (ROR) in IFIs • Calculation of OR & ROR • Scenario Analysis & Alternative Approaches • Case Study
12:30 - 13:00	Experience Sharing Session
13:00 - 14:00	Lunch
14:00 – 16:00	Session 6 Liquidity Stress Tests <ul style="list-style-type: none"> • Identification of Liquidity Risk (LR) in IFIs • Calculation of LR • Methodologies and Testing Challenges • Case Study

Day 3: 13th June 2019

9:00 - 10:30	Session 7 Regulations Role in Stress Testing <ul style="list-style-type: none"> • Current Guidelines for Stress Testing • Supervisory Approaches in conducting Stress Testing • Critical Considerations for IFIs
10:30 - 11:00	Experience Sharing Session
11:00 - 11:30	Coffee break
11:30 - 12:30	Session 8 IFSB Guidelines on Stress Testing (IFSB 13) <ul style="list-style-type: none"> • Risk Factors, Data Requirements & Methodology • Guidelines for Islamic Banks • Guidelines for Regulatory Authorities
12:30 - 13:00	Experience Sharing Session
13:00 - 14:00	Lunch
14:00 - 16:00	Session 9 Industry Experience Sharing – Regulatory Initiatives <ul style="list-style-type: none"> • Countries Outlook: Guidelines and Application of Stress Testing • Implications of Stress Testing • Areas of Future Developments

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Registration Form

Name (الاسم) -----

Nationality (الجنسية) -----

Institution (المؤسسة) -----

Position (المسمى الوظيفي) -----

Department (القسم) -----

Address (العنوان) -----

Country (الدولة) -----

Email (البريد الالكتروني) -----

Telephone (الهاتف) -----

Fax (الفاكس) -----

Mobile (الجوال) -----

Programme Details

Limited Seats available. Acceptance to the programme based on profile suitability on a first come first served basis and with priority to CIBAFI Members.

Please send the completed form to CIBAFI Secretariat
Tel : +973-17357300 | Fax: +973-1732 4902
E-mail : events@cibafi.org