

6-10 May

Aim and content

Over the last few years, the recent global financial crisis has forced central banks to increase the size and complexity of their balance sheets. The main forces driving these changes have been the necessary application of non-standard measures in the monetary policy arena and the quest for higher returns on the investment of foreign reserves. The objective of the course is to analyse the challenges posed by these changes for central bank financial risk managers, who have been obliged to adopt a more overarching approach to risk and to modernise their practices in this field.

The course will review the main aspects of the financial risk management function at central banks. First, it will study the risk control measures applied recently by the Eurosystem in the implementation of its monetary policy, placing special emphasis on the development of in-house credit risk analysis capability. For this purpose, the in-house non-financial corporation assessment system developed by the Banco de España will be presented. Second, the various practices used to control and manage the risks associated with the investment of foreign reserves will be discussed, including those relating to the strategic allocation of assets. Additionally, the course will cover other more general matters relating to the establishment of a risk appetite framework and a corporate governance scheme allowing senior management to become involved in financial risk management at central banks.

Professional profile of attendees

It is targeted at central bank experts with knowledge and experience of topics related to financial risk management arising from the management of foreign reserves and monetary policy implementation.

Organisation and format

The course will be organised by the Banco de España in collaboration with CEMLA. It will take place in Madrid in Spanish.

It will be held over five days, in morning and afternoon sessions. There will be speakers from the Banco de España as well as presentations from some participants.

The seminar requires active participation by attendees, permitting the exchange of different countries' experiences in order to enrich participants' knowledge of financial risk management mechanisms at central banks.

Participation is by invitation only. Registrations will be processed by CEMLA.