

Workshop on ILAAP - Internal Liquidity Adequacy Assessment Process

ORGANISATION SHEET

Context and Objectives	<p>“The aim of the ICAAP and ILAAP is to encourage banks to reflect on their capital and liquidity risks in a structured way, using bank-specific approaches to measure and manage these risks. Both processes should ensure that banks identify, effectively manage and cover their capital and liquidity risks at all times. Implementing the ICAAP and ILAAP proportionately is the responsibility of the banks themselves. In other words, each bank must ensure that its ICAAP and ILAAP are commensurate with its business model, size, complexity, riskiness and market expectations”.¹</p> <p>The aim of this workshop is to provide the participants with a complete coverage of how to implement an ILAAP process, also in the context of the Supervisory Review and Evaluation Process (SREP) interactions with the banking supervisor. The workshop will go beyond the mere illustration of the requested content of a standard ILAAP report, by providing concrete examples of the ILAAP implementation approach, including aspects related to governance, approval process, internal audit, validation and consolidated group coverage.</p>
Methodology	<p>The methodology is based on a “workshop” approach, which requires active participation by the attendants. The focus will be highly practical rather than theoretical and there will be several Questions & Answer sessions throughout the duration of the workshop.</p>
Target group	<p>Banking professionals from banks (commercial and central), financial institutions or supervision authorities, who already have familiarity with risk management fundamentals and who wish to acquire a practical understanding of ILAAP.</p>
Language	<p>A good command of English is required.</p>
Participants	<p>20 participants maximum</p>
Expert	<p>Robert Bisticic</p> <ul style="list-style-type: none"> • Since 2014 employed at European Investment Bank in Luxembourg in different Risk Management roles, currently Head of Asset and Liability Management Unit • 10 years of central banking experience: Head of Market Strategy, Advisor in Risk Management at Croatian Central Bank • Teaching multiple courses on Risk Management and broader finance related subjects (Liquidity risk, ALM, Market risk, Risk governance...), previously Teaching Assistant at Faculty of Economics in Zagreb (Department of Statistics) • Professional Risk Manager designation holder, MSc in Finance
Date	<p>Skopje, 29 September 2023</p>

Remark: By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described herein.

¹ECB – Banking Supervision – ECB Guides to ICAAP & ILAAP
https://www.bankingsupervision.europa.eu/press/publications/newsletter/2019/html/ssm.nl190213_3.en.html

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CONTENT

The regulatory context relevant to ILAAP
Pillar 1: regulatory liquidity ratios and reporting
Pillar 2: the Supervisory Review and Evaluation Process (SREP)
Pillar 3: public disclosures

The content and structure of the ILAAP report
Executive summary and Liquidity Adequacy Statement (LAS)
The ILAAP "chapters"
The "reader's manual"
The central role of stress testing
Vulnerability assessment (a.k.a. risk identification)
Materiality assessment
Scenario analysis
Q&A session

The ILAAP process in action
How to organize an ILAAP exercise
Actors involved and governance (Risk management, ALCO, BoD, etc.)
The timeline
Resources needed
The ILAAP in the context of the "Three Lines of Defense" model
The role of Internal Audit
The role of Model Validation

What you'll not find in books:
Lessons learned from real ILAAP exercises
An overview of what's great and not so great...

Final Q&A session and closure

* One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted.
Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology.
In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls "Quality Circles», that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.