



CENTRAL BANK OF EGYPT
Egyptian Banking Institute

Stress Testing



A Partnership for Quality

Risk Management



475-P26-CE-1



In-Class



20 hours

Course Description:

This training course aims to equip Risk and Finance Management bank staff with an understanding of Stress Testing process, emphasizing the Central Bank of Egypt's regulations, and enabling participants to construct effective Stress Tests purposes after attending, practicing the cases and completing the assessments.

Target Audience:

This course is designed for risk and finance management bank staff, including assistant managers, managers, and higher-level professionals.

Course Objectives:

- Define Stress Testing.
- Explains the Regulatory Stress Testing framework.
- Identify scenario design and development.
- List modelling, data, and stress test engineering.
- Analyze the stress test results.

Course Outline

Module 1 – Introduction to Stress Testing

- Stress Testing in relation to the BASEL framework.
- Relevant Concepts and Objectives of Stress Testing.
- Scope of Implementation.
- Some International best practices.
- Case Study: The 2008 Global Financial Crisis.

Module 2 – Regulatory Stress Testing Framework

- The main requirements as per CBE's regulations.
- Relevant risk factors.
- Stress Testing Risk Types.
- Case Study: Conduct simplified Stress Test.

Module 3 – Scenario design and developments

- Developing plausible and severe stress scenarios.
- Techniques for scenario generation and Scenarios Documentation.

- Distinguishing Between Scenario Types.
- Ensuring Internal Consistency of Scenarios.
- Implications for capital planning and business models.

Module 4 – Modelling, Data and stress test Engineering

- The models used in stress testing.
- Model Selection and Validation.
- Data Governance and Management.
- Challenges in data quality and availability.
- Use of Technology and Tools.

Module 5 – Evaluate Stress Testing

- Evaluate Stress Testing.
- Assess and Analyze the Granularity of results.
- Integrating Stress Test Insights with Other Risk Management Processes.
- Communicating Results to Stakeholders.

Assessment Strategy:

Participants will be informally assessed on their interaction during sessions and their participation in group exercises.

Course completion will grant participants:

1 CEUs

Course Language:

English.

Prerequisites:

Attend ICAAP program.