

Registration

09:00 - 09:40

Chairperson's Opening Remarks

09:40 - 09:50

Experience of Tackling the EBA's New Rules for Loss Given Default (LGD) Estimation of Downturn

09:50 - 10:30

- How to engage with authorities to determine an adequate implementation plan
- Preparing a timeline for the supervisory assessment and approval of material model changes

Panel: Lessons Learnt: What were the data implications of Covid-19 and their impact on credit risk models

10:30 - 11:15

- Modelling Covid-19: what needs to be considered, included and excluded
- Considering government intervention in forecasting

Networking & Refreshment Break

11:15 - 11:45

How to efficiently apply machine learning for credit risk calculations

11:45 - 12:30

- Application of AI and ML in improving model accuracy and efficiency
- Finding explainability in AI and ML
- Seeing biases and modifying data sets

Networking & Lunch Break

12:30 - 13:30

Model Risk Quantification Approaches for Estimating Uncertainty and Meeting the Margin of Conservatism (MoC)

13:30 - 14:15

Given the number of models used in credit risk management and their role in decision making an increasing pressure is raising on model risk management and quantification. The goal of the session is to describe how to ascertain and quantify model risk for silos models and a for network of models (e.g., knowing whether the uncertainty is 10bps or 50bps in a PD model can have direct consequences for model governance and wider risk management for capital, provisions, etc.). The seminar will outline methodologies and experiences gained in:

- a) estimating the uncertainty in a variety of models (due to inherent model limitations)
- b) adjusting this uncertainty over time in light of new information (collected as part of model monitoring)
- c) assessing circumstances causing a model exceeding its risk appetite tolerance limits
- d) evaluate the impact of model risk on complex network of credit risk models

Margin of conservatism (i.e., MoC) estimates can be seen as a point of comparison for the regulatory model risk uncertainty estimation.

Participants

Tiziano Bellini - Head of Risk Integration and Advisory International Markets - Europe, Prometeia

Supervisory observations on IFRS 9 implementation during the pandemic

14:15 - 15:00

- Macroeconomic forecasts for the purposes of IFRS 9
- Assessment of significant increases in credit risk
- Use of overlays in the application of IFRS 9

Participants

Gera Kiewiet - Team Lead Banking Supervision, European Central Bank

Luca Ciavoliello - Team Lead at Supervisory Policy Division, European Central Bank

Networking & Refreshment Break

15:00 - 15:30

The impact of 'Initial and Further Payments Deferrals- IFRS 9' on the measurement and classification of Lifetime Expected Loss

15:30 - 16:15

- Forward Transition Adjustments, Stage 2 and Significant Increase in Credit Risk

Integration of Climate Risk Methodologies on Credit Risk Models- Managing Multiple Frameworks of Sustainability

16:15 - 17:00

- The impact of the climate on credit risk management
- How to take a proactive approach in assessing the impact and calibrating credit risk frameworks to minimise credit losses.
- PS3

Chairperson's Summation and Close of Conference

17:00 - 17:15

SCHEDULE

DAY 1: CREDIT RISK MODELLING FOR BANKS-2ND ANNUAL
PRACTITIONERS' FORUM - 19/10/2021

Credit Risk Modelling for Banks - 3rd
Annual Practitioners' Forum

19 - 20 October 2021
Venue TBC
London

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10:00	10:30 - Panel: Lessons Learnt: What were the data implications of Covid-19 and their impact on credit risk models
11:00	11:15 - Networking & Refreshment Break 11:45 - How to efficiently apply machine learning for credit risk calculations
12:00	12:30 - Networking & Lunch Break
13:00	13:30 - Model Risk Quantification Approaches for Estimating Uncertainty and Meeting the Margin of Conservatism (MoC)
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16:00	16:15 - Integration of Climate Risk Methodologies on Credit Risk Models- Managing Multiple Frameworks of Sustainability
17:00	17:00 - Chairperson's Summation and Close of Conference

Chairperson's Opening Remarks

09:30 - 09:40

EBA Stress Testing Requirements - The evolution of the ESRB Adverse Scenario - Systemic Risk Methodologies

09:40 - 10:25

- Considering the EU-wide stress test in assessing the resilience of the European banking sector.
 - The development of the adverse scenario against the backdrop of a Covid-19 scenario
 - Adverse macroeconomic scenarios on the solvency of EU banks
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Basel IV Requirements- Limits to the Reduction in Capital and Revised CVA framework for Corporate Products

10:25 - 11:10

Participants

Katie Wolicki - Head of Financial and Model Risk Regulatory Policy and Engagement, HSBC

Networking & Refreshment Break

11:10 - 11:40

Evolution of Model Methodologies for purposes of IRB Quantification Requirements

11:40 - 12:25

- Inclusion of Rating and Re-calibration assessments in estimation of Long-run Capital Requirements
 - Coefficient optimization in logistic regression models
 - Clustering and segmentation approaches
 - Risk driver variable selection techniques
 - Coarse classing/fine binning
 - Derivation of Long-Run PD and LGD requirements
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Panel Session: Validation techniques and assessments for IFRS 9 and IRB Models

12:25 - 13:10

- Pathways to Model Consistency, feasibility, conceptual soundness and methodological completeness
- Model discriminatory power, goodness-of-fit metrics, stability, concentration, model ranking, variable significance and accuracy mechanisms

Participants

Maria Kostova - Lead Quantitative Specialist, CRISIL Ltd

Networking & Lunch Break

13:10 - 14:10

New Definition of Default Requirements and the impacts of Regulatory Process on Re-Calibration and Post Model Adjustments

14:10 - 14:50

Panel Session: Model Risk Management Principles & Effective Governance

14:50 - 15:30

- The inclusion of 'conceptual soundness', 'model stability', and 'governance' for strengthening model controls and policies
- Developing and maintaining strong governance, policies and controls over model risk management frameworks
- Understanding shortcomings of models

Participants

Catarina Souza - Senior Expert Model Risk Management, ING

Networking & Refreshment Break

15:30 - 16:00

Liquidity Implications and Net stable funding ratios requirements- Off-balance sheet contingencies- Revision of Basel III Guidelines

16:00 - 16:45

Credit Risk Model Methodologies for Low Default Portfolios and Rating Transition Matrices - Data Representativeness, Default Sensitivity and Model Specificity

16:45 - 17:30

Chairperson's Summation & Close of Conference

17:30 - 17:40

SCHEDULE

Credit Risk Modelling for Banks - 3rd
Annual Practitioners' Forum

DAY 2: CREDIT RISK MODELLING FOR BANKS-2ND ANNUAL
PRACTITIONERS' FORUM - 20/10/2021

19 - 20 October 2021
Venue TBC
London

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11:00	11:10 - Networking & Refreshment Break 11:40 - Evolution of Model Methodologies for purposes of IRB Quantification Requirements
12:00	12:25 - Panel Session: Validation techniques and assessments for IFRS 9 and IRB Models
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