Program Agenda
SEACEN – Toronto Centre Course on Recovery and Resolution Planning for Weak Banks
19 – 24 April 2015
Cambodia

Funded By:
Objectives

The Program is designed to provide participants with the opportunity to practice the roles that monetary policy makers in central banks, supervisory/regulatory authorities and deposit insurance corporations play in managing a crisis arising from problems in a potentially systemic financial institution. The case studies and computer-simulated exercise will explore how central bankers, supervisors and deposit insurers co-ordinate with each other and with other authorities nationally and internationally during a crisis. They will also practise using the tools available to them to deal with the systemic consequences of a bank failure.

In a simulated environment, the participants will be able to (i) practise using processes of contingency planning and choosing among possible resolution options for dealing with failing banks; (ii) co-ordinate with supervisors, central banks and deposit insurers and with other authorities nationally in a crisis; and (iii) deal with systemic consequences of a bank failure. At the end of the Program, participants will be able to examine the critical components of a crisis preparedness/contingency planning guide in the event of a financial crisis, in accordance with international best practices.

Target Group

The Program is designed for middle/senior level supervisors and regulators from ODA-eligible countries with responsibilities in managing financial stability, financial surveillance and supervision of banking institutions, and central bankers involved in monetary policy and operations. The program is also highly relevant to staff of deposit insurance corporations.
Programme Agenda

**Sunday, 19 April 2015**

09:00 – 10:30  **Course Briefing**

10:30 – 17:30  Pre-course tour hosted by National Bank of Cambodia

**Monday, 20 April 2015**

08:30 – 09:00  **Opening Ceremony**

**Welcome Remarks**
Mr. Hookyu Rhu  
Executive Director  
The SEACEN Centre

**Opening Remarks**
Dr. Phang Hooi Eng  
Program Director

**Welcome Address**
National Bank of Cambodia

Photography session

09:00 – 10:00  **Introduction to crisis preparedness and management**

- How would supervisors know a crisis is imminent?
- What should they do?

*Mr. Michael Zamorski*  
Adviser  
*Financial Stability and Supervision*  
The SEACEN Centre

10:00 – 10:15  Coffee/Tea Break

10:15 – 12:00  **Supervisory Cooperation: lessons learnt**

- The practice of supervisory cooperation: what works and what does not
- Key lessons from experiences with non-cooperation among agencies
- Profiled cases: Lehman/Barclays, ABN-AMRO/Fortis
- Role play on supervisory cooperation, coordination and exchange of information. Participants prepare in their table group for a role play which is intended to test participants’ ability to react to a distressed financial subsidiary under circumstances where different countries and agencies are involved in the decision making process. What are
the risks and consequences when cooperation is lacking? How to strategize coordinated action?

Mr. Jan Willem van der Vossen, Financial Stability Consultant and former Adviser, IMF

12:00 – 13:00 Lunch

13:00 – 14:00 Supervisory Cooperation and Non-cooperation: Continuation of Role Play
Jan Willem van der Vossen

14:00 – 15:00 Contingency Planning (focus on recovery and resolution planning)
• The role and importance of contingency planning
• Costs and benefits of contingency planning
• How to develop contingency plans
• Elements of contingency planning
• Crisis preparedness resource materials (the crisis binder)
• Inter-agency contingency planning
• Simulating crises to test readiness
• Updating legal powers, resources and crisis planning
• Minimizing cost resolution to government

Mr. Michael Zamorski

15:00 – 15:15 Coffee/Tea Break

15:15 – 16:15 Contingency Planning (con’t)
• Group Exercise

Mr. Michael Zamorski

16:15 – 18:00 Effective Communication in Times of Crisis
• Importance of communications during a crisis
• Who are the stakeholders
• What message and why
• Choice of communication methods

Mr. Abu Hassan Alshari bin Yahaya, Assistant Governor, Bank Negara Malaysia (to be confirmed)

18:00 – 18:10 Feedback Session

19:00 – 21:00 Welcoming Dinner hosted by The SEACEN Centre

Tuesday, 21 April 2015

08:30 – 08:45 Review and Reflection

08:45 – 10:00 Identify Systemically Important Financial Institutions
• What is systemic risk?
• Issues in the assessment of systemically important financial institutions (SIFIs)
• Criteria that can be used to identify SIFIs
• Assessment of systemic impact using a heat map – method
• A practical example of how to apply the heat map

David Farelius, Advisor, Financial Stability Department, Sveriges Riksbank, Sweden

10:00 – 10:15  Coffee/Tea Break
10:15 – 12:00  Systemic impact assessment heat map – group activity
12:00 – 13:00  Lunch
13:00 – 15:30  Bank Recovery and Resolution Methods

Overview of resolution methods and tools. Participants will be divided into groups and given a list of problem banks; they will have to:
• Analyse the situation of the bank including its solvency, liquidity, systemic importance, viability etc.
• Provide a simple “heat map” to show the impact of the problem bank’s failure on the macro-economy, financial system stability, payment system infrastructure stability and stability of other banks
• Decide what supervisory, regulatory, administrative and organizational measures will have to be taken just before and after applying the resolution method
• Decide what information will be communicated to external parties and how to delegate tasks to different authorities
• How would the balance sheet for the merged bank look like if a merger is the preferred resolution option how would the new equity capital be apportioned?
• If the option selected is “Good bank-bad bank” how would the balance sheets look like and what would you do with the good bank and the bad bank?
• Other issues depending on the option selected, including who should fund a banking crisis

Mr. Jan Willem van der Vossen

15:00 – 15:15  Coffee/Tea Break
15:15 – 17:30  Bank Recovery and Resolution Methods (Cont’d)

Mr. Jan Willem van der Vossen

17:30 – 17:40  Feedback Session
**Wednesday, 22 April 2015**

08:30 – 08:45  Review and Reflection

08:45 – 10:15  **Central Bank Options for Dealing with Weak Banks**

- Legal and financial instruments available to central banks during financial crisis
- ELA, OMO, quantitative easing, collateral requirements rules and flexibility
- Solvency criteria
- System wide liquidity monitoring
- Meaning and application of systemic risk criteria

*Mr. Jan Willem van der Vossen*

10:15 – 10:30  Coffee/Tea Break

10:30 – 12:00  **Central Bank Options for Dealing with Weak Banks: Group Activity**

*Mr. Jan Willem van der Vossen*

12:00 – 13:00  Lunch

13:00 – 14:30  **Sharing of Experience – Central Bank Instruments for Dealing with Financial Crises**

*SEACEN Member Banks*

14:30 – 14:45  Coffee/Tea Break

14:45 – 16:45  **Briefing and practice session on Simulation Exercise**

*Mr. Jan Willem Van der Vossen and Mr. Deng Cheang Leo*

16:45 – 16:55  Feedback Session

**Thursday, 23 April 2015**

08:30 – 12:00  **Financial Crisis Simulation Exercise Stage 1**

12:00 – 13:00  Lunch

13:00 – 15:30  **Financial Crisis Simulation Exercise Stage 2**

15:30 – 15:45  Coffee/Tea Break

15:45 – 17:30  **Crisis Simulation – Plenary Session Discussion and Debrief**

18:30 – 21:00  **Closing Dinner** hosted by National Bank of Cambodia
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