

EXCELLENCE PROGRAMME EUROPEAN FINANCIAL MARKETS AND REGULATION Challenges and Policy Responses Madrid - Frankfurt

CENTRO ADSCRITO
A LA

UCM
UNIVERSIDAD
COMPLUTENSE



IEB
INSTITUTO
DE ESTUDIOS
BURSATILES

CON EL PATROCINIO
DE LA


BOLSA DE MADRID

The aim of the programme is to provide knowledge for understanding modern European Financial Markets and Regulation. It gives participants an overview of the ideas, methods, and institutions that allow bankers and investors to manage their risks.

It will analyse the key economic models and financial tools that are now being used by central banks and financial institutions to ensure smoothly working financial stability.

Participants will study how investors use essential tools, data, models, and techniques to invest in diverse financial markets under difficult economic conditions. We will analyse and discuss the challenges of financial cycles and shocks.

Attendees will obtain key insights into the workings of the major international organizations in finance including the G20 Countries, International Monetary Fund (IMF), the Bank for International Settlements (BIS), the Financial Stability Board and the European Central Bank (ECB) and learn how they deal with economic down turns, and debt crises.

In addition of the Madrid stay, participants will visit Frankfurt, the financial capital of the Eurozone. They will study the European Banking Union, meet the financial regulators and European bankers dealing with the issues of micro-prudential and macro-prudential supervision of the most important financial institutions in Europe.



The Excellence Programme will consist of 25 lecture hours plus visits to the major public and private financial institutions in Europe. The Programme will take place from the 10th to the 14th of July 2017 in Madrid and Frankfurt. The classes will take place at the IEB facilities in Madrid and at the European Banking Federation in Frankfurt.

It is possible to split the Excellence Programme in two parts: the Madrid stay and the Frankfurt stay. Those students involved in the Madrid Seminar will obtain a “European Financial Architecture” diploma. Furthermore, those students involved in the Frankfurt Seminar will obtain a “European Financial Regulation and Supervision” diploma.

Finally, all those students who attend to both seminars will obtain the Excellence Programme “European Financial Markets and Regulation – Challenges and Policy Responses” diploma.

Structure 3

MADRID SEMINAR

1. International Financial Architecture

In order to understand the financial markets, the practitioner must acquire a good knowledge of financial risks, the international organizations (International Monetary Fund, the Bank for International Settlements (BIS), the Financial Stability Board and the European Central Bank) and the regulations (Basel, Bank Resolution, etc.) that lay down the laws which promote well functional international markets and financial crisis management.

2. Key European Economic and Financial Issues

The European Union (EU) is a political-economic union. The EU operates through a hybrid system of supranational and intergovernmental decision-making. Since the financial crisis, the EU has developed new monetary, fiscal and banking policies to improve the working of the financial markets in Europe. It is also dealing with Brexit which has major implications for the future of the financial markets in the European Union.

3. Financial Markets Cycles and Shocks: A European Perspective

The financial markets are prone to cycles and shocks. Investors use data, models and tools to manage the risks inherent in financial markets. The central banks use conventional and unconventional monetary policy to target inflation and financial stability. We will analyse and discuss the key implications for different asset classes and investment strategies.

4. Key Debates in European Financial Markets

This round table section will discuss the potential effects of current key and evolving political issues, such as Brexit, or economic trends, such as the China Price shock, on European financial markets.

FRANKFURT SEMINAR

1. The New European Prudential Supervision System

We will analyse and discuss the link between the individual financial institutions (micro-prudential supervision) and supervision of the financial system (macro-prudential supervision) in Europe.

2. The European Banking Union

The European Union has transferred the responsibility for banking policy from the national to the EU level in order to break the vicious circle between banks and sovereigns. The euro monetary union requires unified supervision, a single bank resolution authority with a common backstop, and a single deposit insurance fund.

3. The European Banking Authority (EBA) and the Single Rule Book

The European Banking Authority (EBA) is a regulatory agency of the European Union. It is responsible for the Single Rule Book and it is conducting stress tests on European banks to increase transparency in the European financial system and identifying weaknesses in banks' capital structures.

4. The Overview of the European Banking Sector

Leading European bankers and financial consultants will examine the strengths, weaknesses, opportunities and threats to the major European banks. They will also analyse strategies of the major banks, the evolution of cross-border banking, the need for consolidation and the NPL's guidances.

5. The Single Supervisory Mechanism

Leading regulators at the European Central Bank will explain the new regulatory framework and their methodology to supervise the leading banks in Europe.



As an additional part of the programme, there will be different visits to Institutions like the Madrid Stock Exchange and the Frankfurt Stock Exchange.



The programme offers interactive classes, in-depth case studies, presentations by finance professionals and regulators at the European Central Bank. The programme is focused on professionals working in financial markets and public financial institutions who are graduates in economics, finance, business administration and engineering.

SEMINAR: EUROPEAN FINANCIAL ARCHITECTURE

MADRID STAY

MONDAY, 10TH OF JULY 2017

10:00 – 13:00

I. INTERNATIONAL FINANCIAL ARCHITECTURE

I.1. Introduction

- Purpose and contents

I.2. The International Economic Situation

- Real economy:
 - International economic outlook. Reports by the International Monetary Fund (IMF) -World Economic Outlook-, and the Organization for Economic Cooperation and Development (OECD) -Economic Outlook.
 - Other public and private organization reports (general or sectoral) -e.g. the energy outlook offered by the International Energy Agency.
 - Analyses on major systemic economies (United States, China, United Kingdom, Germany, Japan...)
- Financing of the economy:
 - Global financial stability
 - The role of central banks
 - Emerging market finance

I.3. Economic and Financial Policies

- Multilateral regulatory agreements (Basel banking regulations, European Financial and Banking Directives, Financial Stability Board recommendations, OECD Consensus on Export Credits, international embargoes, Free Trade agreements (multilateral, regional or bilateral), agreements on Climate...).
- Recommendations and Communiqués:
 - G-7, G-20, IMF, Federal Reserve of the US (Fed), European Central Bank (ECB), European Commission, OPEC, national leaders' statements.

I.4. Country Risk

- Concepts
- Geopolitical risks
- Economic and financial risks
- Prevention of country risk
- Country risk indicators (market indicators, sovereign risk ratings by rating agencies, OECD country risk Classification, World Bank Governance Indicators, EIU country risk ratings...)
- Global rankings (Global Competitiveness Index, Doing Business, Transparency International...)
- Major ongoing risks

I.5. External Debt Policies

- The IMF as lender of last resort
- The EU as lender of last resort
- IMF Debt Sustainability Analyses

- Debt Restructuring
 - Paris Club (official creditors)
 - Debt Treatments -ordinary and extraordinary, HIPC programs
 - London Club (private creditors)
 - Collective Action Clauses (CAC)
 - Case studies: Greece, Argentina, and others

16:00 – 19:00

2. KEY ISSUES IN EUROPEAN FINANCIAL MARKETS

- 2.1. Key Economic Indicators Economic in the EU, USA, Japan and China
- 2.2. Global Trade Surpluses and Deficits
- 2.3. The Euro and European Sovereign Debt Crises
- 2.4. The European Growth and Stability Pact
- 2.5. The ECB and the Euro Crisis
- 2.6. The European Banking Union
- 2.7. Will the European Union Break Up?
- 2.8. What is the Future of the European Union?

TUESDAY, 11TH OF JULY 2017

09:00 – 11:30

3. KEY ISSUES FOR EUROPEAN FIXED-INCOME MARKETS & DEBT ASSETS

- 3.1 Very low and Negative interest rates & Financial Repression
- 3.2 Very low and Negative interest rates & Portfolio Effects
- 3.3 Currency wars
- 3.4 Commodity Markets Shocks
- 3.5 Risk-Reward Asymmetries for investors in Debt Assets
- 3.6 Where to find yield? (EMD, High Yield, CoCos, etc.)
- 3.7 Other alternatives for Income generation
- 3.8. Potential Assets/Investments for substitution
- 3.9 Will Fiscal Austerity continue? Potential ways to approach investing

12:00 – 14:30

4. KEY ISSUES FOR EUROPEAN EQUITY ANALYSIS

- 4.1 Introduction to the stock price return
- 4.2 The economic cycle and the stock market cycle – when do stocks do well?
- 4.3 Analysis of financial indicators
- 4.4 Stock market regional performance
- 4.5 Sector analysis and the macro factors behind them
- 4.6 Top down vs. bottom up analysis?

16:00 – 19:00

5. KEY DEBATES IN EUROPEAN FINANCIAL MARKETS

The Effects on Financial Markets of:

- 5.1 Debt and Deleveraging
- 5.2 Negative Interest Rates
- 5.3 Quantitative Easing
- 5.4 Currency Wars
- 5.5 Oil Price Shocks
- 5.6 The China Price Shock
- 5.7 Brexit
- 5.8 Trump's election

WEDNESDAY, 12TH OF JULY 2017

GUIDED VISIT MADRID STOCK EXCHANGE

17:00

FLIGHT TO FRANKFURT

SEMINAR: EUROPEAN FINANCIAL REGULATION AND SUPERVISION

FRANKFURT STAY

THURSDAY, 13TH OF JULY 2017

10:00 – 13:00

1. THE NEW EUROPEAN MACROPRUDENTIAL SUPERVISION SYSTEM (G20, FMI, FSB, BCE).

The link between the individual financial institutions (micro-prudential supervision) and stability supervision of the financial system (macroprudential supervision).

1.1. Systemic Risk

- Concept and interaction between institutions and markets:
- Methodology and present situation
- Sovereign risk: brief summary

2.2. Macroprudential Supervision

- Global Vision
- Interactions
- Main Tools
- Governance

13:30 – 16:30

2. THE EUROPEAN BANKING UNION

- 2.1. Single Supervisory Mechanism
- 2.2. Single Resolution Mechanism
- 2.3. The European Deposit Insurance Scheme (EDIS)

FRIDAY, 14TH OF JULY 2017

GUIDED VISIT FRANKFURT STOCK EXCHANGE

13:00 – 16:00

3. THE EUROPEAN BANK AUTHORITY AND THE SINGLE RULE BOOK

- 3.1. Bank Recovery and Resolution Directive
- 3.2. Capital Requirements Directive
- 3.3. Capital Requirements Regulation

4. OVERVIEW OF THE EUROPEAN BANKING SECTOR

- 4.1. State of the play.

5. NPL (NON PERFORMING LOANS) IN EUROPE: GUIDANCES

- 5.1. Governance
- 5.2. Provisions
- 5.3. Volumes
- 5.4. Evolution in Europe per country
- 5.5. Implications from a macro and micro perspectives

6. THE SINGLE SUPERVISORY MECHANISM (SSM)

- 6.1. Direct supervision
 - General context
 - Joint supervisory teams
 - Decision-making process
- 6.2. Ensuring quality and consistency in the SSM
 - The supervisory cycle
 - The SSM horizontal functions
 - Quality assurance in the SSM
- 6.3. SREP Methodology
 - Overview
 - Common framework for supervision
 - Decision processes



Álvarez Casanova, Emeterio

- Bachelor in Law, Universidad de Salamanca
- Master in Law, Universidad de Salamanca
- Certified Public Accountant (Auditor registrado, ROAC).
- Expert in Monetary markets (Técnico), Banco de España
- Bank Inspector at Banco de España
- Senior Policy advisor for International Coordination, Banco de España
- Financial advisor for the Secretary of State of Economy, Ministry of Economy and Competitiveness
- Currently Head of Section and Joint Supervisory Team Coordinator at the Single Supervisory Mechanism, European Central Bank

Benzo González-Coloma, Álvaro

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Benito Olalla, Nieves

- Bachelor in Business Administration (LADE). University Carlos III
- PS Executive coach and Management and member of IECA. Instituto de Empresa.
- Investment Management Certificate, Institute of Investment Management and Research
- Citibank España 1994-1996
- Fidelity Investments in London - Equity Analyst and Funds of Funds Portfolio Manager within Equities and Alternative Asset Classes, 1997-2009
- Founding partner at The Challenge Group, 2013-now
- Senior Asset & Wealth Management Professional, 2010-now

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- MSc on Fundamental Physics, Universida de Santiago de Compostela
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- Principal Data Warehouse Architect, Banco Pastor, A Coruña
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- Senior Internal Auditor. Banco Popular, Madrid
- Supervisor in ECB's Methodology and Standards Development Division since 2014

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- Bachelor in Economics, Universidad Autónoma de Madrid
- Executive Management Program, Bank of Spain, IESE
- Government Economist, State Economics of Spain
- Previously, Spanish State Secretary for Trade. Spanish Ambassador to the Kingdom of Belgium. Head of Country Risk, Bank of Spain.
- Professor of Economics, IEB
- Currently Independent Board Director, Tecnom

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- Inspector Banco de España 2000-2014. On site and Off site Supervision
- Principal Supervisor Quality Assurance Division ECB since 2014

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- Bachelor in Laws (LLB), & Business Administration and Management, General, ICADE
- BS, Business Administration - BWL, Universität Tübingen
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- Faculty of Professors and Research Department Member / Program Director, IEB
- Senior Asset & Wealth Management, Professional

Moran, Paul

- Bachelor in Economics & Business Studies, Trinity College
- Masters in Economics, Trinity College, Dublin
- Professor at IEB (Instituto de Estudios Bursatiles)
- Director of CEUS

Sánchez Brezmes, David

- Bachelor in Business and Economics, CUNEF
- Executive MBA, IESE Business School
- Academic Director of the Executive Master in Management of Financial Institutions at IEB (Instituto de Estudios Bursatiles)
- Certified Internal Auditor (CIA) issued by the Internal Auditor Institute.
- Previously, Director KPMG-ECB OFFICE Frankfurt am Main. Senior Policy Advisor on Banking Regulation and Head of the Financial Analysis Department at Spanish Banking Association. Manager of Corporate Audit in Caja Madrid. Supervising senior/Audit Manager for Financial Institutions Group (FIG) in KPMG. Six years as an auditor in Madrid and London office. Banco de España. Central Balance Sheet Data Office
- Currently Managing Director of Global Regulatory Affairs at Banco Santander.

Viola, Matías

- Bachelor in Business and Economics, Cunef (Centro Universitario de Estudios Financieros)
- Juris Doctor, UNED
- State Economist (Técnico Comercial y Economista del Estado). Specialized group of civil servants in trade, finance and economics matters. On leave
- MBA with focus in finance and quantitative finance at Kellogg School of Management.
- Previously, Head of Funding and Risk Management at the Spanish Treasury. Financial Officer at the World Bank Treasury. Consultant at Arthur D. Little. Research Analyst at Capital Markets AV
- Currently Director of Global Supervisory Relations at BBVA



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