



Stress Testing Masterclass by Professor François Longin & Riccardo Rebonato

London: 12th & 13th April 2010

This workshop provides TWO booking options

Register to ANY ONE day of the workshop

Register to BOTH days of the workshop and receive £200 discount

Day 1: Statistics of Extremes by Professor François Longin

Presenter:

François Longin, Professor of Finance, ESSEC School of Business

The behavior of asset prices

- **Case study (use of a spreadsheet): Stylized facts**

Extreme Value Theory

- **The univariate case: different approaches to define univariate extremes and estimate probabilities of extreme events**
- **The multivariate case: different approaches to define multivariate extremes and estimate probabilities of joint extreme events**
- **Applications to finance (VaR and stress testing)**
- **How to estimate extreme value statistics in practice**

Copulas

- **Modeling the dependence of random variables**
- **Tail dependence**
- **Applications to finance**

Drawdowns

- **Theory and practice**

Note: Participants should bring their laptop with Excel installed for Day 1 of the workshop

Day schedule:	09:00 – 17:00
Break:	10:30 – 10:45
Lunch:	12:30 – 13:30
Break:	15:15 – 15:30

Day 2: Stress Testing In Theory and In Practice: Expert Judgement, Market Intelligence and Quantitative Techniques by Riccardo Rebonato

Presenter:

Riccardo Rebonato, Global Head of Market Risk & Global Head of Quantitative Research, Royal Bank of Scotland

Introduction: Stress Testing In Theory & Practice

Uses and misuses of:

- VaR
- Economic capital
- Scenario analysis
- Stress testing
- Stress testing:
- What is 'in the data' and what comes from expert judgement?

Stress testing:

- Bottom up versus top down
- Determining the pros and cons in different environments (trading book, banking book, etc)
- The link between stress testing and risk appetite

How to use expert judgement:

- Conditional probabilities
- Correlations
- Causation
- Graphical representation of stress results
- Checking for consistency with subjective conditional probabilities: linear programming
- Other intuitive and quantitative checks
- How to link a bottom-up with a topdown stress test: compare and contrast with economic capital
- The link with regulatory requirements
- Real-life worked-out examples
- Conclusion: The Reality of Stress Testing

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Workshop Fee:

Any One day: £1099 + UK VAT

Both days: £1998 + UK VAT
(Including £200 Discount)

30% discount Academic delegates

Delegate details:

Company:	
Name:	
Position:	
Name:	
Position:	
Name:	
Position:	
Department:	
Address:	
Contry:	
Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:

All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

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Cancellation:

By completing of this form the client hereby enters into a agreement stating that if a cancellation is made by fax or writing within two weeks of the event date no refund shall be given. However in certain circumstances a credit note maybe issued for future events.

Prior to the two week deadline, cancellations are subject to a fee of 25% of the overall course cost.

Discount Structure:

The discount is available on any day permutation, and can be combined across delegates within the same company (only at the time of booking and not retrospectively).

Registration:

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