

## Workshop on ILAAP - Internal Liquidity Adequacy Assessment Process

### ORGANISATION SHEET

<p><b>Context and Objectives</b></p>	<p>“The aim of the ICAAP and ILAAP is to encourage banks to reflect on their capital and liquidity risks in a structured way, using bank-specific approaches to measure and manage these risks. Both processes should ensure that banks identify, effectively manage, and cover their capital and liquidity risks at all times. Implementing the ICAAP and ILAAP proportionately is the responsibility of the banks themselves. In other words, each bank must ensure that its ICAAP and ILAAP are commensurate with its business model, size, complexity, riskiness, and market expectations”.<sup>1</sup></p> <p>The aim of this workshop is to provide the participants with a complete coverage of how to implement an ILAAP process, also in the context of the Supervisory Review and Evaluation Process (SREP) interactions with the banking supervisor. The workshop will go beyond the mere illustration of the requested content of a standard ILAAP report, by providing concrete examples of the ILAAP implementation approach, including aspects related to governance, approval process, internal audit, validation and consolidated group coverage.</p>
<p><b>Methodology</b></p>	<p>The methodology is based on a “workshop” approach, which requires active participation by the attendants. The focus will be highly practical rather than theoretical and there will be several Questions &amp; Answer sessions throughout the duration of the workshop.</p>
<p><b>Target group</b></p>	<p>Banking professionals from banks (commercial and central), financial institutions or supervision authorities, who already have familiarity with risk management fundamentals and who wish to acquire a practical understanding of ILAAP.</p>
<p><b>Language</b></p>	<p>A good command of English is required.</p>
<p><b>Participants</b></p>	<p>15 participants maximum</p>
<p><b>Expert</b></p>	<p>Mr Giovanni Gentili, Head of the Treasury and Liquidity Risk Division at the European Investment Bank (EIB).</p>
<p><b>Platform &amp; Date</b></p>	<p>Online format, <b>1 full day course</b> divided in two sessions of 3.5 hours each on <b>WebEx</b>  <b>On 20<sup>th</sup> of October</b> from 9.00 to 12.30 and 13.30 to 17.00 hs.  (Luxembourg Time CEST) -exact time of the lunch break might vary slightly.</p>

*Remark: By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described herein.*

<sup>1</sup>ECB – Banking Supervision – ECB Guides to ICAAP & ILAAP  
[https://www.bankingsupervision.europa.eu/press/publications/newsletter/2019/html/ssm.nl190213\\_3.en.html](https://www.bankingsupervision.europa.eu/press/publications/newsletter/2019/html/ssm.nl190213_3.en.html)



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## Workshop on ILAAP - Internal Liquidity Adequacy Assessment Process

### CONTENT

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#### Day 1

- The regulatory context relevant to ILAAP
  - Pillar 1: regulatory liquidity ratios and reporting
  - Pillar 2: the Supervisory Review and Evaluation Process (SREP)
  - Pillar 3: public disclosures
- The content and structure of the ILAAP report
  - Executive summary and Liquidity Adequacy Statement (LAS)
  - The ILAAP “chapters”
  - The “reader’s manual”
  - The central role of stress testing
    - Vulnerability assessment (a.k.a. risk identification)
    - Materiality assessment
    - Scenario analysis
- Q&A session

#### Day 2

- The ILAAP process in action
  - How to organize an ILAAP exercise
    - Actors involved and governance (Risk management, ALCO, BoD, etc.)
    - The timeline
    - Resources needed
  - The ILAAP in the context of the “Three Lines of Defense” model
    - The role of Internal Audit
    - The role of Model Validation
- What you’ll not find in books: a honest testimonial from an “ILAAP veteran”
  - Lessons learned from four real ILAAP exercises (plus one ongoing)
  - An overview of what’s great and not so great...
- Final Q&A session and closure

