

Stochastic simulation techniques and Economic Scenario Generators (ESG)

Context & Goals

- Regional Bank & Insurance group facing the upcoming of the new European Regulatory framework (Basel III, Solvency II)
- Bank developing its investment and market activities
- Expected external growth (through take-overs of niche competitors in the insurance market)

Benefits

- Presentation workshop to all the front-office, ALM & risk management
- Case studies and hands-on practical exercises in different workshops
- Organized in different session tailored for varied audience

Agenda

- Concept of stochastic simulations & ESG
- Practical use in financial institutions (incl. Peers practices case studies & benefits)
- Risk Neutral vs Real World framework
- Development methods & implementations
- Pseudo-random numbers generations
- Modeling and projections per asset classes:
 - Interest Rates
 - Equities
 - Credit
 - Inflation
 - Commodities
- Modeling Risk Factors dependencies (correlations & copula's)
- Expected evolution & applications in the group

Deliverables

- Onsite presentation and interactive workshops with hands-on exercises in Excel & R
- Clear documentation
- Follow-up time for Q&A's for several weeks after the workshops