Stress Testing for Enterprise Risk Managers Training Course

Professional Development Training Course Outline

Category	Risk Management	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

In an era of unprecedented global volatility and interconnected financial markets, Stress Testing has evolved from a regulatory compliance chore into a strategic imperative for Enterprise Risk Management. The 2008 financial crisis and subsequent market shocks from the COVID-19 pandemic to geopolitical conflicts have unequivocally demonstrated that traditional risk models, such as Value-at-Risk, are often inadequate for capturing extreme but plausible scenarios. Modern ERM requires a proactive, forward-looking, and holistic framework to assess the resilience of an organization’s capital and liquidity. Stress Testing for Enterprise Risk Managers Training Course is specifically designed to bridge the gap between theoretical models and practical application, providing risk managers with the tools to implement a robust, enterprise-wide stress testing program that truly informs strategic decision-making and ensures financial stability.

This comprehensive program focuses on mastering advanced scenario analysis and reverse stress testing methodologies. It moves beyond regulatory minimums to integrate stress test results directly into the Risk Appetite Framework and Capital Planning process. By utilizing data-driven techniques and exploring emerging risks like climate change and cybersecurity shocks, participants will learn how to identify hidden vulnerabilities, quantify potential losses across all risk types, and develop contingency plans. This mastery is crucial for building organizational resilience and maintaining stakeholder trust in today’s complex and dynamic risk landscape.

Programme Curriculum

Stress Testing for Enterprise Risk Managers Training Course

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Course Objectives

1. Master the principles of Enterprise-Wide Stress Testing and its integration with the Risk Appetite Framework.
2. Develop robust, data-driven scenarios for macroeconomic and idiosyncratic shocks.
3. Apply advanced techniques in Reverse Stress Testing to identify critical vulnerability thresholds.
4. Quantify potential losses from Climate Risk Stress Testing
5. Design effective stress tests for Cybersecurity Risk and Operational Resilience scenarios.
6. Evaluate the impact of severe scenarios on Capital Adequacy and Liquidity Risk Management.
7. Interpret and communicate complex stress test results to the Board and Senior Management for strategic action.
8. Ensure Regulatory Compliance with current frameworks
9. Validate and govern stress testing models to minimize Model Risk
10. Integrate stress testing insights into the ICAAP and Recovery and Resolution Planning (RRP).
11. Implement stress testing for Non-Financial Risks and ESG factors.
12. Utilize Big Data and Machine Learning methodologies for more dynamic stress projections.
13. Formulate actionable Contingency Plans based on stress test outcomes to enhance organizational resilience.

Target Audience

1. Chief Risk Officers (CROs) and Senior Risk Executives
2. Enterprise Risk Managers (ERM Specialists)
3. Financial Planning and Analysis (FP&A) Professionals
4. Capital and Liquidity Management Specialists
5. Regulatory Compliance and Internal Audit Professionals
6. Model Validation and Governance Teams

7. Market, Credit, and Operational Risk Managers
8. Treasury and Asset-Liability Management (ALM) Teams

Course Modules

Module 1: The Strategic Role of Stress Testing in ERM

- Differentiating between VaR, Sensitivity Analysis, Scenario Analysis, and Reverse Stress Testing.
- Case Study: The 2008 Financial Crisis and the failure of pre-crisis risk models.
- Integrating stress testing into the Risk Appetite Statement and strategic business planning.
- Understanding Regulatory Drivers.
- Establishing a robust Stress Testing Governance structure and control environment.

Module 2: Scenario Design and Development

- Techniques for constructing Hypothetical and Historical and Stylized scenarios.
- Case Study: Designing a geopolitical shock scenario
- Developing consistent Macroeconomic Shock narratives and translating them into Risk Drivers.
- Methodologies for Top-Down and Bottom-Up stress testing approaches.
- Advanced concepts in Reverse Stress Testing.

Module 3: Credit Risk and Counterparty Stress Testing

- Modeling the impact of stress on Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).
- Case Study: Stressing a corporate loan portfolio for a deep, sector-specific recession.
- Assessing Concentration Risk and correlated defaults under adverse conditions.
- Measuring the effect of stress on Expected Credit Loss (ECL) under IFRS 9/CECL.
- Analyzing Counterparty Credit Risk exposure under market turmoil.

Module 4: Market, Operational, and Liquidity Stress Testing

- Conducting Market Risk stress tests on trading books, including Sovereign Risk and interest rate shocks.
- Case Study: Simulating the impact of a flash crash and severe market illiquidity.
- Stress testing the Balance Sheet for Interest Rate Risk in the Banking Book
- Developing scenarios for Operational Risk
- Performing Liquidity Stress Testing covering sudden funding freezes and contingent calls.

Module 5: Emerging Risks and Advanced Stress Topics

- Introducing Climate Risk Stress Testing methodologies and data challenges.
- Case Study: Modeling the financial impact of a new Carbon Tax or severe regional flooding.
- Stress testing for Cybersecurity and Technology Risk disruption scenarios.
- Integrating Non-Financial Risks into the stress framework.
- The role of stress testing in assessing the risks of Artificial Intelligence and Machine Learning models.

Module 6: Model Risk and Validation

- Key principles of Model Risk Management for stress testing models
- Case Study: Auditing and validating a pre-payment model used in mortgage portfolio stress.
- Techniques for Model Backtesting and sensitivity analysis of key model assumptions.
- Documentation standards and reporting for model transparency and regulatory scrutiny.

- Identifying and mitigating potential pro-cyclicality in stress testing models.

Module 7: Capital and Contingency Planning

- Linking stress test results to the determination of Stress Capital Buffer (SCB) and internal capital adequacy
- Case Study: Adjusting the dividend policy and share buybacks based on a stressed capital ratio.
- Developing credible and comprehensive Contingency Funding Plans (CFP).
- Integrating stress results into the Recovery and Resolution Plan (RRP) process.
- Establishing Early Warning Indicators and dynamic risk limits from stress insights.

Module 8: Reporting, Communication, and Action

- Best practices for creating clear, actionable, and visually effective Stress Test Reports.
- Case Study: Presenting a low-probability, high-impact scenario to a non-technical Board.
- Translating quantitative stress results into qualitative Management Actions and Mitigation Strategies.
- Fostering a Risk Culture where stress testing informs business unit decisions.
- Leveraging stress testing as a tool for competitive advantage and optimizing the business mix.

Training Methodology

This course employs a participatory and hands-on approach to ensure practical learning, including:

- Interactive lectures and presentations.
- Group discussions and brainstorming sessions.
- Hands-on exercises using real-world datasets.
- Role-playing and scenario-based simulations.
- Analysis of case studies to bridge theory and practice.
- Peer-to-peer learning and networking.
- Expert-led Q&A sessions.
- Continuous feedback and personalized guidance.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org **or call** +254769199797

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
28 Sep 2026	02 Oct 2026	Online	$1,000
28 Sep 2026	02 Oct 2026	Physical	$1,500
28 Sep 2026	02 Oct 2026	Physical	$0
28 Sep 2026	02 Oct 2026	Physical	$0
28 Sep 2026	02 Oct 2026	Physical	$0
28 Sep 2026	02 Oct 2026	Physical	$0
28 Sep 2026	02 Oct 2026	Physical	$0
28 Sep 2026	02 Oct 2026	Physical	$0

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