QUEST TRAINING

Stress Testing & Scenario Analysis

Risk Management · Banking & Finance · 5 Days · Classroom

OVERVIEW

Stress Testing & Scenario Analysis is a comprehensive professional training course designed to equip banking and financial professionals with the knowledge, analytical techniques, and practical skills required to design, implement, interpret, and enhance stress testing and scenario analysis frameworks. In today's rapidly evolving financial environment, characterized by economic uncertainty, market volatility, geopolitical developments, technological disruption, and increasingly stringent regulatory expectations, Stress Testing & Scenario Analysis has become a critical component of effective risk management, strategic planning, and organizational resilience.Ð
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This course provides participants with a structured understanding of internationally recognized stress testing methodologies and scenario analysis frameworks used across banking and financial institutions. Participants will explore how stress testing supports the assessment of potential impacts on capital adequacy, liquidity, profitability, asset quality, and overall financial performance under both expected and extreme but plausible conditions. The course emphasizes the strategic role of stress testing in strengthening decision-making, enhancing governance, and supporting enterprise-wide risk management.Ð
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The program also examines a broad range of stress testing techniques, including sensitivity analysis, scenario analysis, reverse stress testing, macroeconomic stress testing, and integrated risk assessments covering credit risk, market risk, liquidity risk, operational risk, and enterprise risk management. Participants will gain practical knowledge of scenario design, model assumptions, stress testing governance, regulatory expectations, reporting practices, and the integration of stress testing results into capital planning, contingency planning, and business continuity strategies.Ð
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Through practical workshops, real-world banking case studies, and interactive exercises, participants will strengthen their ability to build stress testing frameworks, evaluate scenario outcomes, interpret risk exposures, and communicate results to executive management, boards, and regulatory authorities. By the end of the course, participants will be equipped to improve organizational resilience, strengthen risk-informed decision-making, support regulatory compliance, and enhance long-term financial sustainability through effective Stress Testing & Scenario Analysis.

OBJECTIVES

- Analyze the principles and regulatory expectations of Stress Testing & Scenario Analysis and evaluate their application within banking institutions by the end of the course.
- Develop structured methodologies for designing, implementing, and validating stress testing and scenario analysis frameworks across banking operations.
- Evaluate the impact of adverse economic, financial, operational, and market scenarios on capital, liquidity, profitability, and asset quality.
- Apply sensitivity analysis, scenario analysis, reverse stress testing, and macroeconomic stress

testing techniques using practical banking cases.
- Design realistic stress scenarios that reflect emerging risks, changing economic conditions, and organizational vulnerabilities.
- Improve risk management practices by integrating stress testing outcomes into strategic planning and executive decision-making.
- Strengthen capital planning, liquidity management, and contingency planning through effective stress testing methodologies.
- Implement governance structures, reporting frameworks, and validation processes for enterprise-wide stress testing programs.
- Assess the effectiveness of business continuity and crisis management plans using stress testing results.
- Align Stress Testing & Scenario Analysis practices with Enterprise Risk Management, regulatory expectations, and long-term strategic objectives before course completion.

WHO SHOULD ATTEND

This course is designed for Enterprise Risk Managers, Credit Risk Managers, Market Risk Managers, Liquidity Risk Managers, Operational Risk Managers, Chief Risk Officers, Treasury Managers, Asset and Liability Management (ALM) Managers, Capital Management Specialists, Financial Risk Analysts, Stress Testing Analysts, Compliance Managers, Internal Audit Managers, Internal Control Professionals, and specialists responsible for risk measurement and financial resilience within banks and financial institutions.Ð
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The program is equally valuable for Chief Financial Officers, Finance Managers, Strategy Managers, Executive Management Teams, Asset and Liability Committee (ALCO) members, Risk Committee members, Central Bank Professionals, Regulatory Affairs Specialists, Business Continuity Managers, Governance Professionals, and senior decision-makers responsible for capital planning, financial stability, organizational resilience, and regulatory compliance.

LEARNING OUTCOMES

- By the end of this course, participants will be able to:
- Develop an integrated Stress Testing & Scenario Analysis framework aligned with international banking practices.
- Design realistic stress scenarios covering credit, market, liquidity, operational, and enterprise risks.
- Apply sensitivity analysis, scenario analysis, reverse stress testing, and macroeconomic stress testing methodologies.
- Evaluate the impact of adverse scenarios on capital adequacy, liquidity, profitability, asset quality, and financial performance.
- Interpret stress testing results to support strategic planning and executive decision-making.
- Integrate stress testing outcomes into capital management, liquidity planning, contingency funding, and business continuity strategies.
- Prepare professional stress testing reports and executive dashboards for boards, risk committees, and senior management.
- Assess the effectiveness of governance structures supporting enterprise-wide stress testing programs.
- Recommend improvements to organizational resilience based on stress testing findings and emerging risk assessments.
- Develop a practical implementation roadmap for strengthening Stress Testing & Scenario Analysis

frameworks within their institutions.

COURSE OUTLINE

1. Course Outline:
2. Day 1: Foundations of Stress Testing & Scenario Analysis
3. Foundations of Stress Testing & Scenario Analysis
4. Principles and objectives of Stress Testing & Scenario Analysis
5. International regulatory expectations and industry best practices
6. The role of stress testing in Enterprise Risk Management
7. Governance, oversight, and organizational responsibilities
8. Practical application: Identifying stress testing priorities within a banking institution
9. Day 2: Scenario Design and Stress Testing Methodologies
10. Scenario Design and Stress Testing Methodologies
11. Scenario development methodologies
12. Sensitivity analysis techniques
13. Scenario analysis models
14. Reverse stress testing methodologies
15. Practical application: Designing realistic stress scenarios for banking risks
16. Day 3: Applying Stress Testing Across Banking Risks
17. Applying Stress Testing Across Banking Risks
18. Credit risk stress testing
19. Market risk stress testing
20. Liquidity risk stress testing
21. Operational risk stress testing
22. Practical application: Conducting integrated stress testing and interpreting results
23. Day 4: Analysis, Reporting, and Strategic Decision-Making
24. Analysis, Reporting, and Strategic Decision-Making
25. Interpreting stress testing results
26. Capital adequacy and liquidity impact assessment
27. Executive reporting and regulatory communication
28. Integrating stress testing into contingency planning and business continuity
29. Practical application: Preparing comprehensive stress testing reports and management recommendations
30. Day 5: Building a High-Performance Stress Testing Framework
31. Building a High-Performance Stress Testing Framework
32. Integrating Stress Testing & Scenario Analysis with Enterprise Risk Management
33. Strengthening governance, validation, and regulatory compliance
34. Emerging trends in stress testing and advanced risk analytics
35. Continuous improvement of enterprise stress testing programs
36. Final workshop: Developing a comprehensive Stress Testing & Scenario Analysis implementation plan that includes governance enhancements, scenario design methodologies, sensitivity analysis, reverse stress testing, capital and liquidity assessments, executive reporting, contingency planning, model validation, and continuous improvement initiatives to strengthen organizational resilience, regulatory compliance, strategic decision-making, and sustainable financial performance.

Register or Request More Information

Course page: http://localhost:3000/courses/stress-testing-scenario-analysis
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