

**The First International Hybrid
Symposium on:
Risk measurement models in the
banking industry: the limits of
value at risk during crisis.**



October 2nd and 3rd, 2024

Honorary President: Dr. Hamadou Bennamoun,
Director of Superior School in Accounting and Finance
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Symposium President: Dr. Soumia Lariane
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Overview:

There are many different methods of assessing risk in the banking industry, while VAR is the most important and widely used by financial institutions.

The VAR is defined as the maximum loss that can be anticipated on a position over a given period of time. The original Basel agreement amended in 1996 allows, since January 1998, banks opted for the internal model approach, to calculate the amount of regulatory capital for market risk.

VAR has proven effectiveness in risk assessment arising from simple financial instruments such as bonds and first-generation financial derivatives such as swaps and options. However, it has repeatedly shown its inability to take into account unprecedented events, such as what happened in August 1998, after Russia was exposed to a liquidity crisis, and the stock prices fell sharply, which caused high losses to many financial institutions.

Furthermore, the VAR's use of historical information linked to markets which have experienced limited fluctuations failed when unprecedented events occurred, such as the subprime crisis, which was characterized by the association of the four following phenomena:

- The sudden evaporation of liquidity in the markets: VAR-type are static models that do not take into account the impact of liquidity on prices and fluctuations;

- Lack of transparency and information on exposure to major risks, especially after banks' redistribution for risks among financial players without precisising the location of these risks. The previous situation triggered contagion from the subprime sector to other credit markets;

- The novelty of structured credit products, which rating agencies have tried to reduce to traditional bond products: instead of trying to adapt the risk measurement models to these products, they have been simplified to distort the nature of the risks to which financial institutions are exposed;

The non-linearities that characterize structured products are not correctly taken into account by VAR models;

The non-linear factors that characterize structured products are not taken into account, especially since the value at risk follows a normal law.

Therefore, we realize that the VAR is a fixed model which cannot be used to manage complex market scenarios when liquidity disappears. In addition, structured products cannot be simplified in a VAR analysis model.

Accordingly, the following main question can be raised: **What are the reasons that led to the failure of the VAR model and how can its shortcomings be overcome?**

Symposium Tracks and Scope:

First Track: Risk measurement models in the banking industry

Second Track: The conceptual framework of the value at risk and its importance in the banking industry;

Third Track : Methods of measuring the value at risk, and its uses' conditions within the framework of Basel accord

Fourth Track : Conditional value at risk (CVAR)

Fifth Track : The impact of financial crises on the banking industry and the limitation of the value-at-risk model as a measure of risk.

Sixth Track : Stress testing, Back testing, and crisis simulations

Seventh Track : proposed solutions to overcome the shortcomings of the VAR model as a criterion for measuring risk during a crisis period.

Participation Requirements:

- The intervention must fall within one of the symposium's tracks, demonstrating seriousness in presentation, scholarly authenticity, and comprehensive documentation of references and sources.
- The intervention should not have been previously published in a scientific journal or presented at another symposiums.

•Only individual and binary contributions are accepted..

•Professors, specialists, and doctoral students are eligible to participate.

•Participation can be in person or through remote conferencing technology.

Research Paper Guidelines

The research paper can be written in Arabic, French, or English.

- The length of the research paper should not be more than 20 pages nor less than 15 pages, including appendices and references.

- For Arabic language, use Sakkal Majalla font size 14, with single line spacing. For foreign languages, use Times New Roman font size 12, with single line spacing.

- An abstract (of maximum 200 words) should be provided in the language of the research paper and in a different language if it's not the primary language.

- Page margins should be 2 cm on all sides.

- The research paper should follow all scientific and methodological steps in writing scholarly research papers (abstract, introduction, body, conclusion, appendices, and references).

- Tables and figures should be numbered consecutively (1, 2, 3, ...) with their sources cited.

- Footnotes should be sequentially numbered at the end of the article.

- The reference list should be placed at the end of the research paper in alphabetical order.

The registration process and submission of entries take place exclusively at the link:

<https://forms.gle/wsw8ADXHoeWb3PDK8>

Or scan the QR code



For any inquiries, please use the following email address :

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important dates:

- Deadline for submitting complete intervention:

06/02/2024

- Deadline for responding to accepted intervention: **06/30/2024**

Symposium date: October 2nd and 3rd, 2024