09:15 – 09:30  **Opening address**
Manuel Ramos Francia, *Director General, CEMLA*

09:30 – 11:00  **Liquidity risk and international reserves**

The ongoing period of high inflation and large interest rates has triggered significant changes in central banks’ international reserves. Against this backdrop, the liquidity risk of international reserves has become critical for central banks, considering the need to provide effective liquidity firepower in the FX market when needed. This session revises recent experiences and ongoing challenges for the liquidity-risk management of international reserves.

- How are revaluation effects in financial markets affecting the liquidity risk exposure of international reserves?
- How can different operational approaches — including tranching and cash-flow forecasting — improve central banks capacities to manage liquidity risks?
- How have central banks adapted their liquidity-risk management strategies in response to the challenges posed by high inflation and large interest rates affecting international reserves?

**Chair: Diego Ballivián, Banco Central de Chile**

**Keynote introduction: Marco Ruiz, World Bank Treasury**

**Speakers: Francisco Chamú Morales, Banco de México**
Andrés Granados Ruiz, *FLAR*

11:00  **End of online transmission**

11:00 – 11:30  **Coffee break & Group photo**
11:30 – 12:45  **Risk management working groups**  
**Liquidity risk and international reserves**

This high-level interactive session aims at discussing country experiences related to the design of risk-mitigation strategies when managing the liquidity risk of international reserves. Participants will be divided into working groups to discuss action plans addressing this challenge in two stages. First, from a general perspective regarding the risk-management criteria considered in the design of investment strategies; and second, the adaptation of risk-management criteria in a period of financial stress. Finally, working groups will discuss their results in the plenary room.

**Chair:** Matias Ossandon Busch, **CEMLA**  
**Working Groups Facilitators:**  
- Pablo Villalobos, Banco Central de Costa Rica  
- Luis González Mosquera, Banco de España  
- Francisco Chamú Morales, Banco de México  
- Diego Ballivián, Banco Central de Chile

12:45 – 14:00  **Lunch**

14:00 – 15:15  **Central banks’ trade-offs in stress vs. normal times**

This session discusses how central banks address financial risks arising from liquidity facilities activated in crisis periods. Central banks may assume risks during crises to stabilize markets, mitigate the spread of systemic risk, and ensure the transmission of monetary policy. Against this backdrop, risk management units face the challenge of striking a balance between supporting central banks’ objectives and mitigating risk exposures.

- Which financial risk management approaches during the implementation of liquidity interventions can help mitigating financial risk exposures?  
- Which eligibility criteria and other risk-management instruments were used by central banks during the last period of liquidity expansion?

**Chair:** Matias Ossandon Busch, **CEMLA**  
**Speakers: (Online)**  
- Andrés Manzanares, European Central Bank  
- José Luiz B. Fernandes, Banco Central do Brasil
15:15 – 15:45  **Break**

15:45 – 17:00  **Round-table: Climate-related balance-sheet risks**

This round table invites delegations to report on recent advances in the incorporation of climate and environmental risks into central banks’ financial risk management frameworks. In short interventions, delegations are invited to discuss the following questions:

- How are central banks currently assessing and quantifying climate-related risks within their financial risk management frameworks?
- Which are the main difficulties that central banks face in this process? Are data limitations, disclosure frameworks, or governance aspects relevant?

**Chair:** Matias Ossandon Busch, CEMLA

**Introduction:** Pablo Villalobos, Banco Central de Costa Rica

17:00  **End of Day 1**

17:00 – 19:00  **Welcome reception**
09:00 – 09:05  **Introduction**  
Chair: Matias Ossandon Busch, CEMLA

09:05 – 10:00  **Panel discussion on risk-management governance**  
Chair: Matias Ossandon Busch, CEMLA  
Speakers:  
José Luiz B. Fernandes, Banco Central do Brasil  
Luis González Mosquera, Banco de España  
Francisco Chamú Morales, Banco de México

10:00 – 10:30  **Coffee break**

10:30 – 11:15  **Banking resolution and financial risk exposures**  
Central banks’ financial risk exposures face significant challenges during banking crises and resolution procedures, as seen in recent events like the U.S. regional banking crisis and Credit Suisse’s failure in March 2023. These situations test risk management frameworks and highlight the need for anticipatory actions to mitigate direct financial losses and systemic risks that can amplify banking crises. This session discusses, through the lens of recent experiences, how central banks’ risk exposure can be affected by a bank’s failure and a subsequent resolution procedure:

- How do resolution procedures and actions taken by central banks during banking crises impact their financial risk exposures?
- What can central banks do to manage the risks arising from the potential failure of banking institutions?
- Can better governance structures facilitate the communication between supervisors and risk managers to contain the build-up of financial risk?

Chair: Matias Ossandon Busch, CEMLA  
Speaker: Antonio Marcelo, Banco de España

11:15  **End of online transmission**

11:15 – 11:45  **Coffee break**
11:45 – 12:45  **Counterparty risk & international reserves: recent trends & advances**

Central banks grapple with multifaceted counterparty risks, stemming, for instance, from defaults by the issuers of securities in which international reserves are invested. In a context in which central banks’ balance sheets have expanded significantly, the challenge of assessing counterparty risk in a highly diversified portfolio needed for a variety of policy objectives has become a complex and sophisticated task for risk management units. This closing session revises experiences in dealing with counterparty risk considering aspects such as risk-management governance and control and measurement tools.

- How have recent trends including the expansion of central banks’ balance sheets and shifts in global financial market impacted the complexity and magnitude of counterparty risks faced by central banks?

- How do central banks address the need to control and measure different sources of counterparty risk when managing international reserves, including price, liquidity, and ESG risk sources?

**Chair:** Diego Ballivián, *Banco Central de Chile*

**Speakers:** Jorge E. Marcal, *Banco de Portugal*

Alexander Rivero Saavedra, *Banco de la República*

12:45 – 13:00  **Closing remarks and next steps**

**Chair:** Matias Ossandon Busch, *CEMLA*

13:00 – 14:00  **Lunch**

14:00 – 17:00  **Visit to Banco de México Museum (by invitation)**