

CENTRAL BANK RISK MANAGEMENT IN A MONETARY UNION

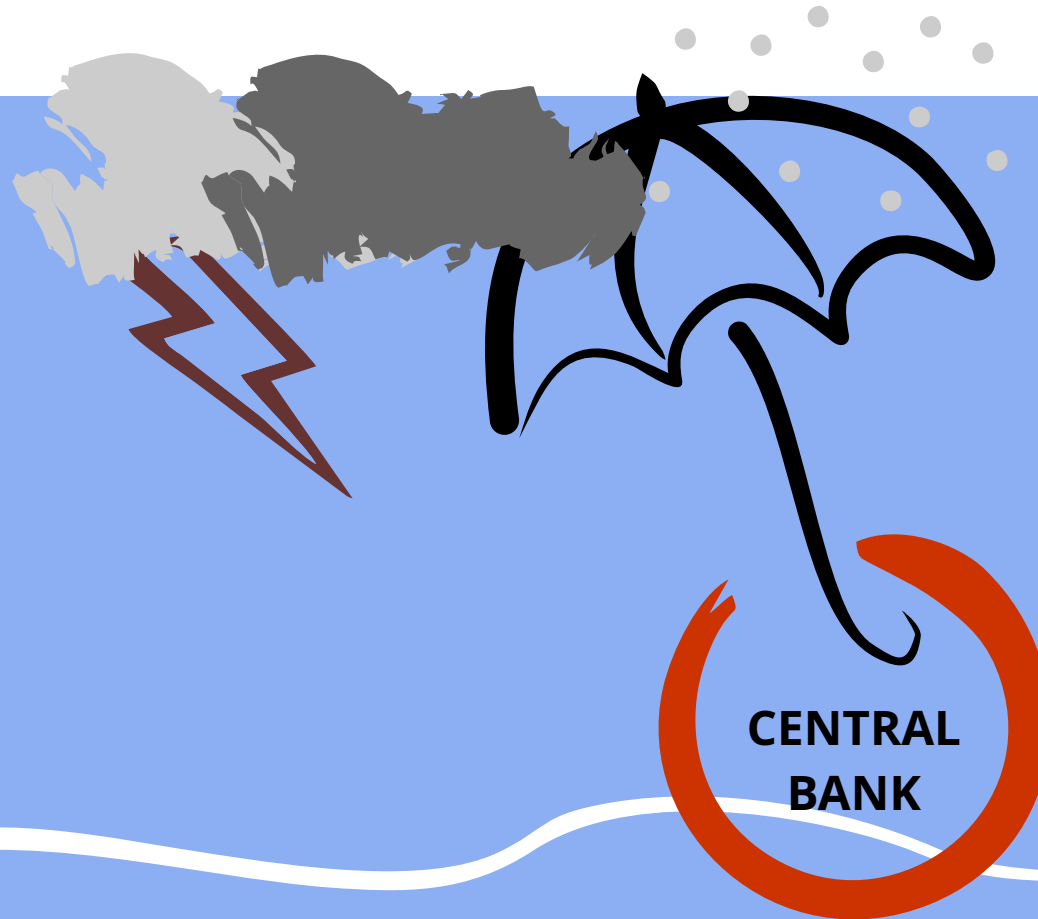
Helena Adegas

25 september 2017



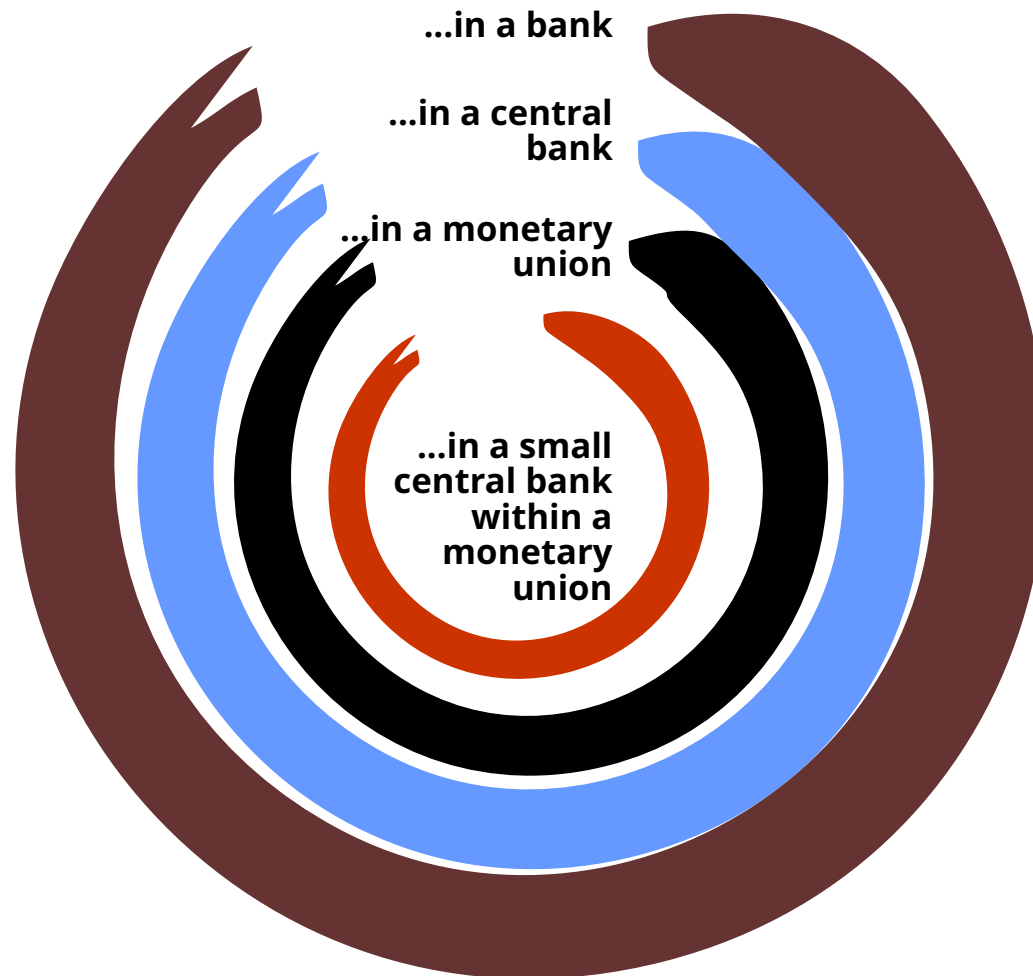
BANCO DE PORTUGAL
EUROSISTEMA

BdP | ECB Conference
**Risk Management
for Central Banks**





RISK MANAGEMENT





WHAT IS SPECIFIC TO A CENTRAL BANK?

more risk averse?

different priorities

risk transfer

risk-return trade-off

monetary policy

risk endogeneity

signalling effect

public interest

legal tender



MAJOR SOURCES OF CENTRAL BANK RISK

OPERATIONAL RISKS

physical security, cyber threats

FINANCIAL RISKS

QE

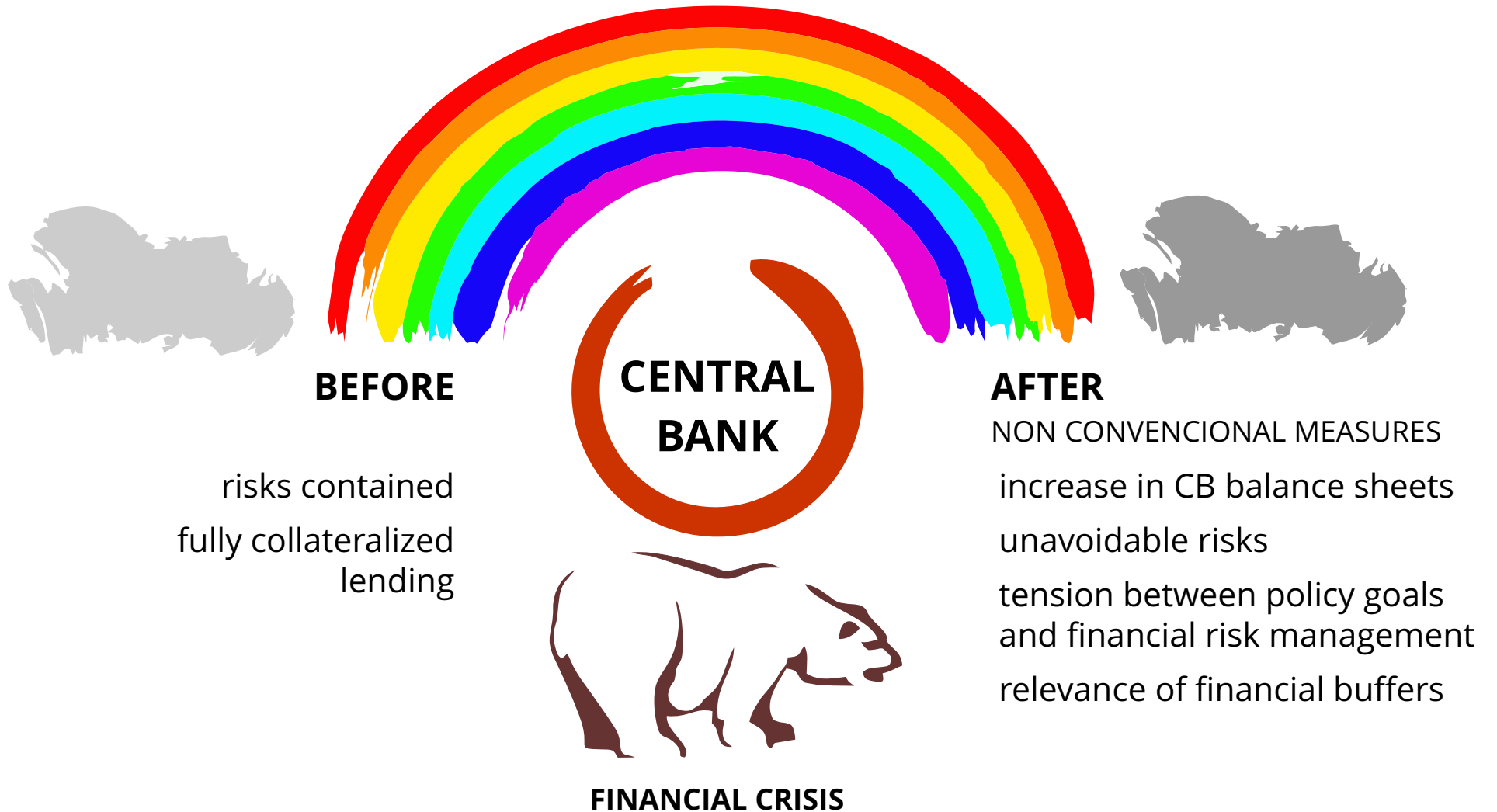
REPUTATIONAL RISKS

communication

**CENTRAL
BANK**



FINANCIAL RISKS



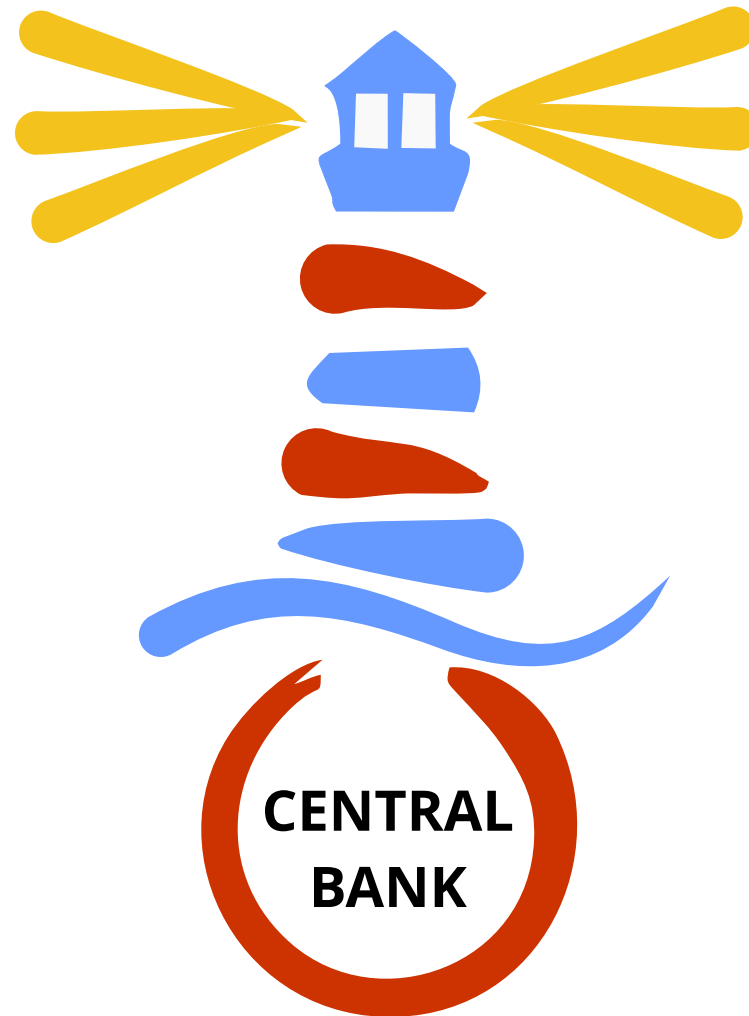


NON-FINANCIAL RISKS



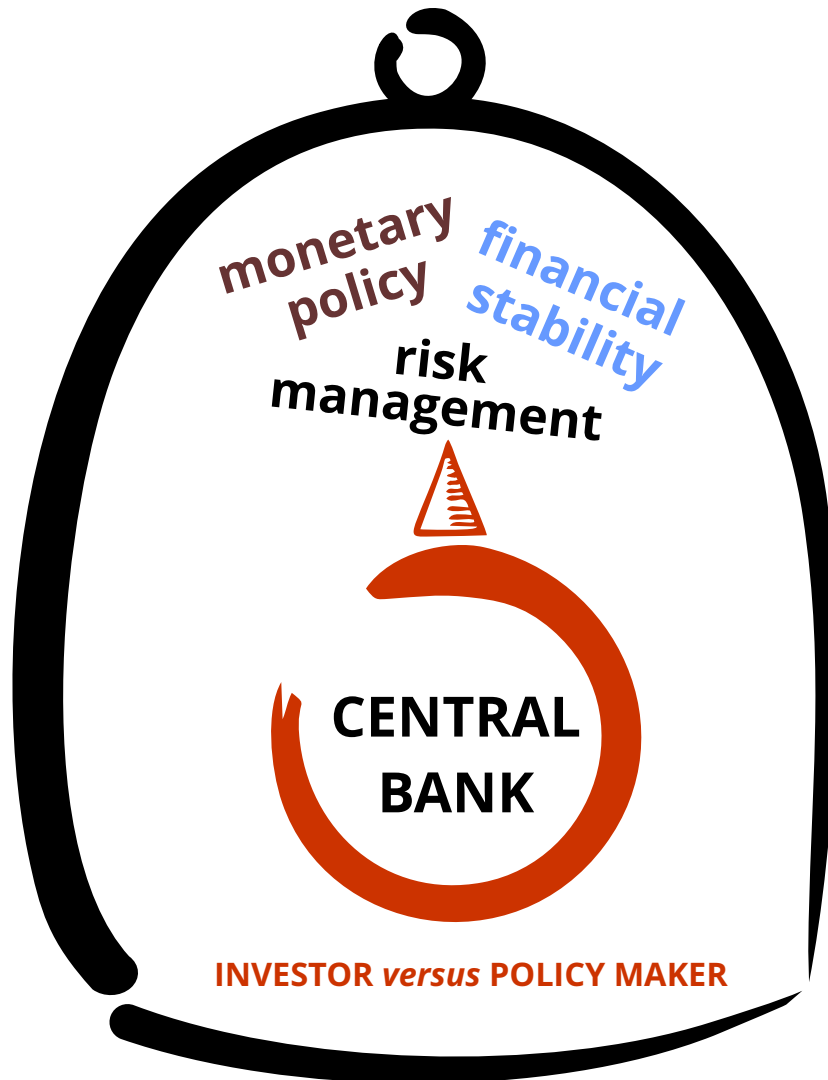


REPUTATIONAL RISKS





VERY PARTICULAR INSTITUTIONAL SETUP



DEBTOR *versus* SHAREHOLDER

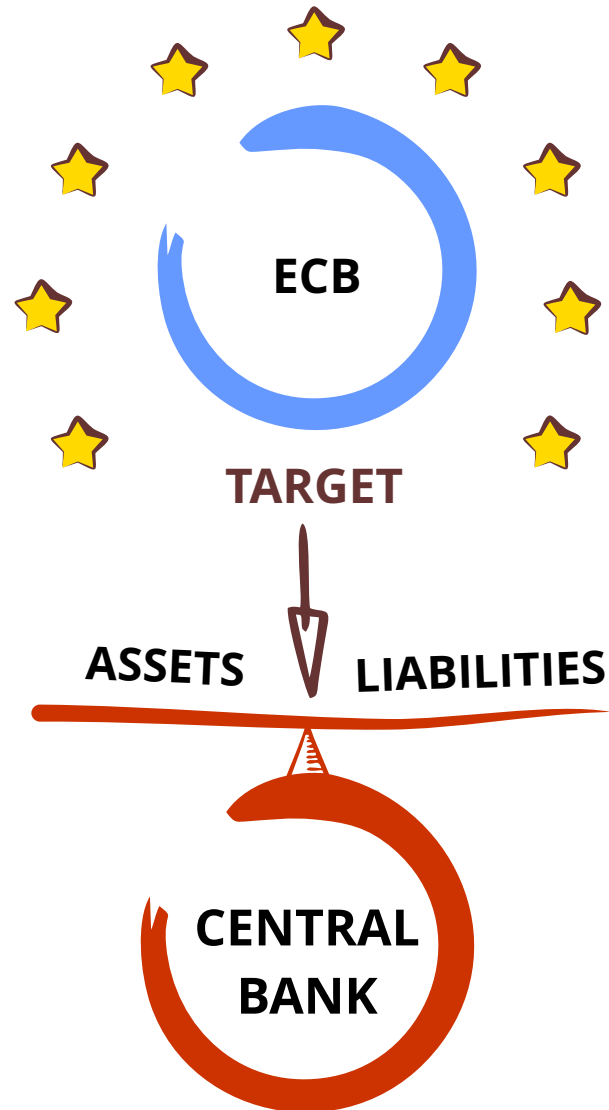


INDEPENDENCE



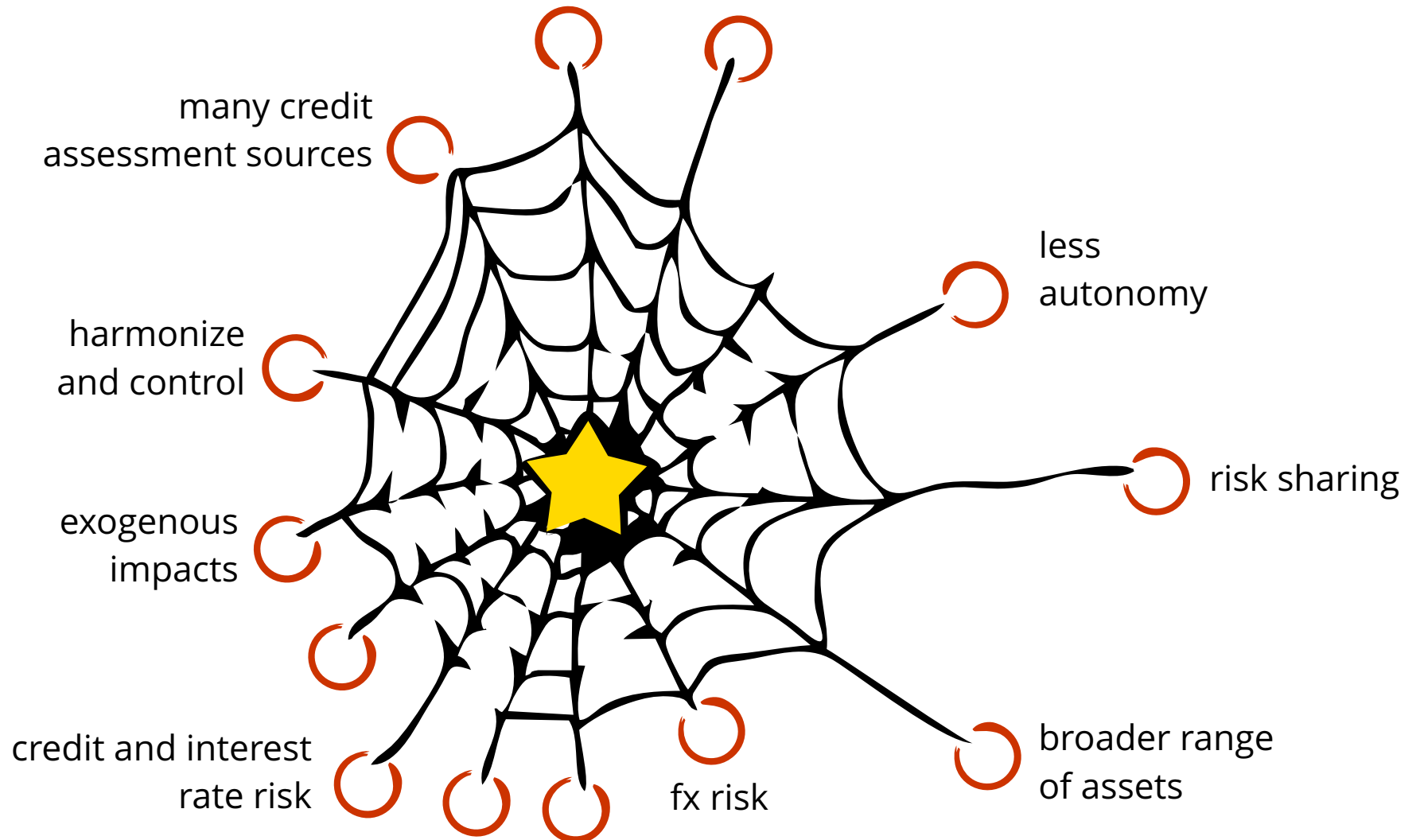


CENTRAL BANK AND MONETARY UNION





MONETARY UNION





A SMALL CENTRAL BANK





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**RISK
MANAGEMENT
DEPARTMENT**
since 2012

