





CERTIFICATION PROGRAMME: RISK MANAGEMENT IN BANKING

ORGANISATION SHEET

Objectives

The certification programme: Risk Management in Banking provides participants with a solid foundation in risk management, which can serve as an entry for advanced level specialisation. The programme consists of:

- Fundamentals of Risk Management
- Measuring and Managing Operational Risk
- Measuring and Managing Market Risk
- Measuring and Managing Credit Risk
- Measuring and Managing Liquidity Risk

Methodology

The methodology used in all the courses is a combination of theory and numerous practical exercises, interaction between trainer and participants, and case studies.

Target group

Professionals from banks (commercial and central), financial institutions or supervision authorities such as risk managers, auditors and department managers, with at least 3 years of experience in the banking environment.

Examination

The participants will have their newly acquired knowledge validated through a written exam, and will be granted a **certificate of success** issued by the Luxembourg Association for Risk Management (ALRiM) and the House of Training.

Lecturers

Experienced trainers, members of the House of Training Quality Circle in Risk Management¹

Language

A very good command of English is required.

Participants

Selected among candidates from the following partner countries: Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Bulgaria, Cape Verde, China, Croatia, Czech Republic, Egypt, El Salvador, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Latvia, Lebanon, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Myanmar, Poland, Romania, Russia, Rwanda, Serbia, Slovakia, Slovenia, Tunisia, Turkey, Ukraine, Vietnam and the West African Economic and Monetary Union

Dates

10 working days

From Monday the 11th to Friday the 22nd March 2019

Arrival on Sunday the 10th March, departure on Saturday the 23rd March 2019

Programme organised in collaboration with and validated by









CERTIFICATION PROGRAMME: RISK MANAGEMENT IN BANKING

CONTENT

DAY 1: FUNDAMENTALS OF RISK MANAGEMENT

Introduction

Risk and risk management

Types of financial risk

The Basel Committee on Banking Supervision

Measuring and managing risk

Fundamentals of Market Risk

Market risk in banking

Components of market risk

Fundamentals of Credit Risk

Components of credit risk

Counterparty/settlement risk

Default risk

Downgrade risk and the rating agencies

Fundamentals of Operational Risk

Causes of operational risk

Operational risk management cycle

Risk and control self-assessment

Fundamentals of Liquidity Risk

Liquidity risk as a consequential risk

Types of liquidity risk

Asset and liability management

Future Trends in Risk Management

DAY 2 AND 3: MEASURING AND MANAGING MARKET RISK

Components of Market Risk:

Equity risk

Interest rate risk

Currency risk

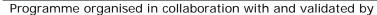
Commodities risk

Market Risk on Derivatives and Portfolios

Value at Risk and Stress Testing

Characteristics of VaR

Methods of calculating VaR











Stress testing

Back testing and scenario analysis

Regulatory Environment for Market Risk

Market risk in the Basel Accord Standardised Method Internal Model Approach

Market Risk Reporting

DAY 4 AND 5: MEASURING AND MANAGING CREDIT/COUNTERPARTY risk

Introduction and Definitions

Components of credit risk

Variables in credit risk models

Credit Risk in Different Financial Instruments/Activities

Lending

Bonds

Derivatives

Internal Credit Assessment

External Credit Ratings

Key Concepts of Credit Risk Measurement

Default and Transition Matrices

Expected Loss (EL) and Unexpected Loss (UL)

Credit portfolio management and Credit VaR

Regulatory Requirements for Banks

The Standardised Approach

The Internal Ratings Based (IRB) Approach

Credit risk mitigation techniques

Counterparty credit risk

Credit Risk Reporting

DAY 6 AND 7: MEASURING AND MANAGING OPERATIONAL RISK

Introduction

What is operational risk?

Why has operational risk become so important?

Key Concepts of Operational Risk

Causes of operational risk

Event types

Types of impact from operational risk









Analysing the Causes of Operational Risk

Processes

People

Systems

External Events

Operational Risk in the Basel Accord

Basic Indicator Approach

The Standardised Approach

Advanced Measurement Approach

Operational Risk Management Cycle

Identify

Assess

Mitigate

Monitor and report

Loss Data Collection/Processing

Incident database

Key risk indicators

Risk mapping

Risk & control self assessment

Organisational Aspects

Governance

Three lines of defence

Organising operational risk management

DAY 8 AND 9: MEASURING AND MANAGING LIQUIDITY RISK

Introduction

Liquidity Risk Management Framework

Governance and organizational structure

Asset liquidity risk

Funding liquidity risk

Liquidity risk measurement

Liquidity risk contingency planning

Liquidity risk regulation

LCR and NSFR Intraday Liquidity Monitoring Basel Leverage Ratio Pillar II and IFRS CSSF regulation









The financial crisis 2007 – 2009

Case studies from the financial crisis

Northern Rock Bear Stearns

DAY 10:

Wrap-up and revision time in presence of a House of Training expert Written exam based on all covered topics during the 2-week course in Luxembourg.

Remark: By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described herein.

In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls "Quality Circles", that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.



¹ One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted.

Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology.