

DIPLOMA IN BANK INTEGRATED RISK MANAGEMENT

Objectives

This programme is designed to provide an in- depth understanding of the, characteristics of banking business, range of risks that affect banks and other financial institutions, approaches that are used to identify and assess those risks, tools available to manage them, importance of corporate governance in risk management and recent developments in Basel capital adequacy framework.

Learning outcome

Participants will acquire skills, identifying and assessing of all banking risks in a consolidated manner towards management and mitigation of such risks with systems such as economic capital, corporate governance and compliance with prudential requirements and internal controls.

The course will also provide the opportunity to participants to acquire technical and practical knowledge on bank risk management principles and best practices.

Course Contents

Module I-Introduction to the Risk Management Process

- Brief Introduction to Modern Financial Theory
- Overview of Financial Crisis 2007 - Lessons Learnt
- Global Banking Problems and Future Challenges
- Introduction to Risk Management and Definitions
- Regulatory requirement and expectation for Risk Management
- Risk Categories (Credit, Market, Liquidity and Operational risk) and Risk Management concepts
- Case Study - Analysis of financial statements of banks in Risk Management and Regulatory Perspective

Module II - Credit Risk Management and Assessment

- Evaluation of Credit Risk
- Valuing the risk component of a loan
- Credit Transaction Risk- Dash boards
- Portfolio Management of Credit Risk
- Calculating Concentration Risk
- Return on Risk Adjusted Capital (RORAC)
- Application of Rating and Scoring Models
- Case Study - Several exercises in analysing Credit Risk

Module III- Management of Market Risk

- Components of Interest rate risk
- Interest Rate Risk Management policy framework and exposure limits
- Liquidity Risk Management policy, framework

- Management of Foreign Exchange Risk
- Impact of interest rate on the liquidity
- Assessment of Market Risk (Value at Risk / Present Value per Basis point /Duration Analysis)
- Functions and Responsibilities of ALCO
- Introduction to derivatives
- Application of derivatives in risk management

Module IV- Management of Operational Risk

- Components of Operational Risk
- Operational Risk Management Policy, framework and setting risk tolerance levels
- Risk and Control Self-Assessment Process
- Building a Key Risk Indicator library
- Collection of Operational Loss data
- Operational Risk Reporting (Dash Boards)
- Operational Risk Management Committee
- Business Continuity Plan
- Information Security
- Outsourcing Risk and Vendor Management
- Compliance Risk
- Case Study - Defining of Risk Appetite in Operational Risk Management and Risk Assessment , Monitoring process

Module V - Pillar 2 - regulatory review

- Regulatory and Supervisory Framework-Risk Management
- Corporate governance and risk management Framework
- Understanding Stress Testing and Scenario Analysis
- ICAAP

Module VI- BASEL III

- Introduction on Basel III and reasons for introduction
- Implications of Basel III on the Banking Institutions

Duration

80 hours

Medium

English