

Enterprise Risk Management for SMEs

in cooperation with JBS Training

Small and Medium Enterprises



JBS Training



Virtual



18 hours



USD 700



Registration Deadline

3-Jun-2025

Course Description:

This three-day course is designed to run on a stand-alone basis. The objective of the course is to provide a comprehensive overview of the Enterprise-wide risk management framework. Understand the evolving and increasing components of risk and how these are tackled

in banks. It will then focus on certain key areas of risk as outlined below.

For this program the emphasis and focus will be on SME related business lines. The participants will be introduced to the overall risk management framework and risk streams in a bank and against that backdrop and context they will:

1. Explore the impact the SME business has on these frameworks and how these frameworks cater to the better functioning of the SME businesses.
2. Understand the extent of overlap and commonality in the principles of risk management and Basel oversight – between the different businesses in a bank (including SME).
3. Look at modern risk developments in the SME sphere (e.g. AI, ESG, digitization) The SME focused course will identify the main stakeholders, their divergent requirements and how these are addressed as well as how this is done in an integrated, holistic way

Target Audience:

This program is designed for SME bankers, SME Relationship Managers and SME Risk Managers, who are in middle/senior positions or are being put into senior positions in the short term.

Audience Level:

At least 5 – 7 years of experience will be ideal.

Course Objectives:

At the end of the course the participants would:

- Have a clear understanding of the essentials of ERM and an ERM framework – and understand how that is set up in the Bank and the interaction with the SME world.
- Become aware of the way risk categories and classifications have evolved – globally. The new risk types coming to the fore and the challenges in integrating them into the framework. Also, from a Basel perspective.
- Look into the major risk types in detail and how they are overseen in an integrated fashion within a bank. Being an effective SME player would require that the individual understands his business line, the risks involved and how this fit in the overall bank context.

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- Appreciate the Integrating lenses of Balance Sheet perspectives, ALCO, ICAAP etc. re the SME business.
- In the context of the framework, understand the key components of issues like governance, measurement, reporting, proactive and reactive management etc. as applied to the SME business lines.
- Study the concept and importance of risk culture and their contribution to this very important topic that essentially binds it all together – ensuring desirable behavior & outcomes.

Course Outlines:

- Insights & Introduction

Components of ERM, the framework - linking it to bank's activities (including SME) How & why, it differs from traditional risk management

- Risk categories & types – an introduction
 - Financial Risks (Credit, Market and Liquidity) – relative importance in SME business
 - Non-financial risks (Operational Risk, Strategic risk, reputational risk, information security risk, fraud risk, operational resilience, vendor / 3rd party risk, ESG etc.). How it appears in SME business and how the bank's framework deals with it structurally.
- Deep dive into the following specific areas of risk (in each case - focus on SME business – especially where materially different from other businesses)
- Credit Risk & economic cycles
 - What is it and how is it measured (how SME differs from Large corporate)
 - Understanding PD, LGD, EAD and EL from Small & Medium company perspectives. Proxy PDs in Receivable financing etc.
 - Other risks that affect credit risk – link to cycles and behavioral bias
 - Levels (transaction / Obligor / Portfolio) & sector impact
- Deep dive into the following specific areas of risk (in each case - focus on SME business – especially where materially different from other businesses)

Credit Risk & economic cycles

What is it and how is it measured (how SME differs from Large corporate)

Understanding PD, LGD, EAD and EL from Small & Medium company perspectives.

Proxy PDs in Receivable financing etc.

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Other risks that affect credit risk – link to cycles and behavioral bias

Levels (transaction / Obligor / Portfolio) & sector impact

- Market / Liquidity risk
 - Definition and scope and how bank's measure these risks
 - Regulatory developments and drivers (relative importance in SME business)
 - How ALM (Asset Liability Management) brings decision making together
- Operational risk
 - Definition and scope and link to risk culture
 - Examples from a typical bank's business lines
 - Carving out of some risks traditionally included in operational risk
 - Two critical ingredients of Change Risk and Transparency (escalation)
 - Measurement (of risk and capital requirements)
- Strategic risk and Reputational risk
 - How this is defined and identified – is it the cause' or the 'effect'?
 - How to appreciate local influences and potential threats
 - Building assurance on a broad spectrum of potential causes
- Basel
 - Evolution and risk oversight change
 - Bringing enterprise risks together under capital and liquidity etc. aspects
 - How Basel IV is changing capital calculation
- Risk Management Process / Cycle
 - Identification / Assessment
 - Measurement
 - Mitigation / Management
 - Reporting
- Oversight / Governance – with emphasis on SME segments of business
 - 3 Lines of Defense and how that is evolving and the Risk Management framework
 - Governance – various bank Committees and Delegation, exceptions, escalation
- Introduction to Risk Appetite & Risk Culture in the bank and SME business in particular
 - Articulation, Drivers & overarching principles
 - Governance hierarchy
 - Look at how the above risk types are covered in risk appetite
 - Key considerations & it's all-pervasive influence

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DAY 1 – Clarity on the components, their origins and evolution

Session 1

Exploring the various components of ERM and looking at the journey of risk management over time for SMEs. The evolution of risk management – knowing the triggers for the changes and appreciating how regulation has played a role in shaping this journey. How Regulation uses Capital, liquidity and other instruments to manage these risks. Appreciate the difference from traditional risk management.

Session 2

High level identification of the potential sources of these risks in a bank. Look at real examples in various banks and see if we can identify their presence or impact in various reports etc. Introduction to the concept of integrated risk management (the need for a holistic and non-silo view).

Session 3

Introduction to the various Financial and Non-financial risks in a bank (generally) and relative to SME business line more specifically.

DAY 2 – Look into specific risks. Appreciating the need for a forward-looking approach

Session 1

Credit Risk & market risk. Understanding the impact on SMEs - of economic cycles, major crises, regulation, competition, product lifecycles and large corporates behavior. Importance and techniques of measurement. How and why they vary from the approach of large corporates/wholesale business lines.

Session 2

Operational risks – including growing importance of areas such as vendor (third party) risks, cyber, fraud etc. Measurement challenges in this area. Why is transparency important? Learning to build a structure that supports such transparency. The overriding importance of data and how that is now playing a bigger and more central role under Basel and local Central Bank rules.

Session 3

Focus on the growing importance and focus on Strategic and Reputational risks. Look into specific examples of significant failures on these – in the corporate world and in banks. What are the issues that stem specifically from the SME business segment? What is the bank's response?

DAY 3 – the all-important areas of governance, Risk strategy and Risk Culture / Conduct

Session 1

Introduction the newest focus point – ESG. Using this topic – and through a group exercise, we will reinforce our understanding of a typical risk framework and how to build / adapt one for a new / emerging risk. This will also allow us to appreciate the role and importance of governance in effective risk management.

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Session 2

Introduction to Risk Appetite, Risk Strategy and Risk Appetite Framework applied to SMEs. How these are framed / set and why these are so important. We will look at some real examples in the SME business – including how these are articulated, monitored, and HR work together to deliver a strong risk culture.

Session 3

Finally wrap up by looking at new developments in the banking industry and their impact. For example:

- The mushrooming fintech world,
- Digitization & use of AI in risk management (what and why)
- GRC (governance, risk and compliance) discipline and data criticality
- ESG (what does it really include and impact on banking)

Course Language:

English

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Trainer's Bio

Vijay Srivastava

Financial Trainer & Consultant

30-year banking career with prime global and regional institutions, exposed to multiple geographies & cultures, senior leadership roles and significant transformational assignments.

Experienced in dealing with the Regulator, Rating Agencies and Board members. Strong technical capability in Commercial Banking on areas of Business, Credit, Trade Finance, Risk and Compliance areas, along with a passion for talent development, integrated Risk Management and Corporate / Risk Culture. Having held C-Suite position, the technical capability is backed by strategic and broader leadership abilities.

Currently freelance risk consulting, training development and delivery and coaching.