

## Risk Management



470-P26-VE



Virtual



18 hours



EGP 5,250

### Course Description:

This course is designed to provide an understanding of how Basel accords significantly affect the structure and strategies of banks. It covers regulatory capital at Egyptian banks, credit risk, market risk, and how to calculate operational risk.

### Target Audience:

This program targets those who work in the departments of risk, credit, treasury, audit, internal control, finance, and compliance, in addition to those involved in feasibility studies and project management.

### Course Objectives

- Identify Basel I, II, and III.
- Identify the regulatory capital of Egyptian banks.
- Demonstrate regulatory Capital.
- Explain credit Risk.
- Define operational Risk.
- Identify market Risk.
- Define G-SIBS.
- Identify Basel III Overview.
- Explain the Leverage Rule.
- Explain the Liquidity Coverage Ratio.
- Define net Stable Funding Ratio (NSFR).
- Summarize – Basel IV.

### Course Outline

#### Module One: Introduction to Basel I, II, III

##### Session One: Reminders on Basel.

- Citi balance sheet.
- RWA at Citi – RWA.
- Reminders on Basel.
- Capital, solvency, and liquidity.
- Basel II – 3 pillars.
- Internal Ratings-Based Approach.

- Pillar 3 Disclosures.
- Assignment.

#### Module Two: Regulatory Capital at Egyptian Banks.

##### Session One: Egyptian Banking Assets and Liabilities.

- Egyptian Banking Assets 2016 (CBE).
- Loans in Egypt.
- Egyptian Banking Assets – Investments – 2016 (CBE).
- Egyptian Banking Liabilities – 2016 (CBE).
- Basel II Risk in Two Major Egyptian Banks.
- Assignment.

#### Module Three: Regulatory Capital

##### Session One: Eligibility and Loss Absorption Capability

- Additional Tier 1 Capital (AT1 Capital).
- Tier 2 Capital.
- Applying Inner Limits.
- Eligibility and Loss Absorption Capability
- Deductions.
- Risk-Weighted Assets (RWAs).
- Basel III Capital Requirements.
- Assignment.

#### Module Four: Credit Risk

##### Session One: Risk-Weighting Approaches

- Risk-Weighting Approaches
- Credit risk.
- Standardized Approaches vs Internal Models.
- Internal Ratings-Based (IRB) Approaches.
- Counterparty Credit Risk (CCR).
- Securitization.
- Wrong-Way Risk (WWR).
- Credit Value Adjustment (CVA).
- Incentives.
- Credit Risk Mitigation (CRM).
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### Module Five: Operational Risk

#### Session One: Operational Risk

- Operational Risk.
- Standardized Approach.
- Advanced Measurement Approach (AMA).
- Business Indicator Component (BIC).
- Internal Loss Multiplier (ILM).
- Calculation of RWAs and Capital Requirements.
- Output Floor.
- Assignment.

### Module Six: Market Risk

#### Session One: Key drivers of market risk

- Key drivers of market risk.
- Calculation of RWAs and Capital Requirements.
- Incremental Risk Charge (IRC).
- Standardized Approach.
- Sensitivity-based Method.
- Default Risk Capital (DRC) Requirement.
- Residual risk Add-on (RRAO).
- Assignment.

### Module Seven: G-SIBS

#### Session One: G-SIBS

- What is G-SIBS?
- What are the extra regulations they comply with?
- What is systemic risk, and why is it important?
- Assignment.

### Module Eight: Basel III Overview

#### Session One: Basel III

- What were the weaknesses of Basel II?
- Why does Basel III calculate capital without using risk-weightings?
- What are the extra capital requirements of Basel III?
- What is systemic risk?
- Assignment.

### Module Nine: Leverage Rule

#### Session One: Leverage

- What is Leverage?
- A Backstop or a New Measure?
- Risk-Based or Non-Risk-Based?
- Commitment to Risk-based Approach?
- Minimum Leverage Ratio.
- Assignment.

### Module Ten: Liquidity Coverage Ratio

#### Session One: Liquidity Coverage Ratio

- Liquidity Coverage Ratio (LCR).
- Cash Flow Measurement (Net Cash Outflows).
- Retail Deposits.
- Assignment.

### Module Eleven: Net Stable Funding Ratio (NSFR)

#### Session One: Net Stable Funding Ratio

- Net Stable Funding Ratio (NSFR).
- Disclosure Requirements.
- Assignment.

### Module Twelve: Conclusion – Basel IV

#### Session One: Basel IV

- Basel III.
- Basel IV.
- Action on RWA.
- Internal ratings-based (IRB) approaches credit risk.
- Standardized approach for credit risk.
- Operational risk.
- Output floors.
- Impact of the new regulations on banks.
- Assignment.

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### **Assessment Strategy**

- 70% Assignments between sessions.
- 30% Participation.
- The cut-off score is 60% of the total grade, which is "100".

### **Upon Successful Completion of this Course, participants will obtain:**

1.7 CEUs.

### **Course Language:**

English.

### **Prerequisites:**

Intermediate level of English.