

Risk Management



447-P26-CE-1



In-Class



24 hours

Course Description:

In this course, participants will learn the basics, methodologies, approaches to optimize market risk management and the role that has to be played within any financial institution.

Target Audience:

The course targets candidates who work in risk, treasury, corporate departments or middle back office departments.

Course Objectives

- Determine the most important standards and pillars of Basel II and III.
- Identify and assess risks using quantitative and qualitative analysis.
- Explain the concept and function of risk management in the context of corporate governance.

Course Outline

Module 1: Introduction to Basel II and III

- Basel II and III - A helicopter overview.
- Minimum capital requirements (credit, operations and market Risk).
- Basel II Capital charges Measurement Approaches.
- Types of financial risk.
- Market, credit and operational risk management.
- Operational, Market & Credit risk capital calculations using the basic, standardized and advanced approach.

Module 2: Quantitative and Qualitative Analysis to Identify and Assess Risks

- Interest – Rate Risk and Tactics for Managing IRR.
- Foreign Exchange Risk & FX hedging techniques.
- Equity & Commodity Risk.
- Liquidity Risk Measurements, Ratios, Triggers and Gap reporting.
- Measures of Interest Rate Risk & Duration Gap Approach.
- Earnings at Risk & Sources of Interest Rate Risk.
- FX correlation, Trading & Banking Book & Funds Transfer Pricing.
- Model Risk, Value-at-Risk, Mark to Market (MTM).
- Stress Tests, Back Testing.

Module 3: Risk Management in the Context of Corporate Governance

- Market risk in the context of Basel II and Basel III accords.
- Pre-conditions for Basel III.
- key elements of corporate governance.
- Economic capital.
- ICAAP and its relevance to Risk Management.
- Corporate governance structure and control environment.
- Auditing the market risk functions.

Assessment Strategy:

Participants will be informally assessed on their interaction during sessions and their participation in group exercises.

Course completion will grant participants:

2 CEUs.

Course Language:

English.

Prerequisites:

- From 2-3 years of experience in banking.
- Intermediate level of English.