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## RISK MANAGEMENT- REGULATION FOR BANKS (BASEL)

### ORGANISATION SHEET

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<b>Objectives</b>	<p>The main objective of this course is to provide participants with a good understanding of the interaction between regulation and risk management in banking. Because of its importance as a foundation for regulation, <u>the work of the Basel Committee on Banking Supervision</u> forms a large part of the course.</p> <p>By the end of the course, participants will <u>understand the necessity for banks to meet the Basel requirements</u> for capital, liquidity and leverage. The evolution of the <u>regulatory framework for banks from Basel I to Basel IV</u> and its impact on risk management is analysed throughout the course. The most important calculations required in the Basel documentation, including those for stress testing and back-testing, are explained. In addition to the work of the Basel Committee, the course also considers other aspects of the interaction between regulation and risk management in banking.</p>
<b>Methodology</b>	<p>This course is NOT a webinar but an interactive programme. Participants are encouraged to be engaged in the sessions and to this end to have their webcam on and a well-functioning microphone. The course will be delivered online. The methodology is based on theoretical lectures, practical exercises, interactivity and exchange of views, case studies.</p>
<b>Target group</b>	<p><b><u>Bankers located in North Macedonia</u></b></p> <p>Professionals from all types of banks or supervisory authorities, with a couple of years of experience in risk, finance and/or a related environment. High potentials with an academic background in banking and finance are also welcome. Course participants should ideally already understand risk management, finance or capital fundamentals. The course will be of particular interest for risk managers, auditors, compliance officers and managers who need to understand and apply the Basel Principles related to risk and capital management.</p>
<b>Language</b>	<p>A good command of English is required.</p>
<b>Participants</b>	<p>Up to 15 participants maximum</p>
<b>Expert</b>	<p>Mr Ruben Olieslagers, Head of CFO Office - BNP Paribas Fortis Bank; House of Trainer-ATTF trainer for Risk Mgmt, Regulation &amp; Governance; Member of the House of Training Quality Circle ALRiM in Risk Management.</p>

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Programme organised in collaboration with and validated by



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Visiting Professor Louvain School of Management

**Place & Date**

Virtual / online – 6 times / 4 hours

2022

11, 12, 13, 14, 15 and 18 of July 2022/ 9h – 13h

**Technical requirements**

In order to join the course participants are requested to have:

- a stable internet connection
- a device (preferably a PC) with well-functioning microphone and webcam (mandatory to be able to interact with the trainer and their peers).

**Platform**

WebEx

Attendees must have working microphones and a webcam is mandatory to get the most from the workshop.

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## RISK MANAGEMENT REGULATION FOR BANKS

### CONTENT

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#### **1. Risk and Risk Management**

- 1.1 Types of Risk in Financial Services
- 1.2 Risk Management
  - 1.2.1 Objectives
  - 1.2.2 Risk Management Cycle
  - 1.2.3 Methods of Risk Management
    - 1.2.3.1 Quantitative Methods (e.g., VaR – Value at Risk)
    - 1.2.3.2 Qualitative Methods (e.g., Stress Testing)

#### **2. Risk and Regulation**

- 2.1 The Basel Committee on Banking Supervision**
  - 2.1.1 History and Development
  - 2.1.2 The Basel Accord
- 2.2 International Regulatory Environment**
  - 2.2.1 European Regulations
  - 2.2.2 Non-European Regulations
- 2.3 Compliance Risk**

#### **3. Risk Management and the Basel Accord**

##### **3.1 Credit Risk**

- 3.1.1 Description in the Basel Accord
- 3.1.2 Measuring Credit Risk
  - 3.1.2.1 Standardised Approach
  - 3.1.2.2 Internal Ratings Based Approach
    - 3.1.2.2.1 Foundation Method
    - 3.1.2.2.2 Advanced Method

##### **3.2 Market Risk**

- 3.2.1 Description in the Basel Accord
- 3.2.2 Measuring Market Risk
  - 3.2.2.1 Standardised Approach
  - 3.2.2.2 Internal Model Approach

##### **3.3 Operational Risk**

- 3.3.1 Description in the Basel Accord
- 3.3.2 Measuring Operational Risk
  - 3.3.2.1 Basic Indicator Approach
  - 3.3.2.2 Standardised Approach
  - 3.3.2.3 Advanced Measurement Approach

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### **3.4 Liquidity Risk**

3.4.1 Description in the Basel Accord

3.4.2 Measuring Liquidity Risk

3.4.2.1 Liquidity Ratios

3.4.2.2 Liquidity at Risk

## **4. Regulating Risk in Financial Services**

4.1 International Regulations Based on the Basel Accord

4.2 International Regulations Based on Other Sources

4.3 International Organisations Supporting Risk Management

## **5. Future Trends in Risk and Regulation**

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

\* 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.

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.

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