

Complex Bank Risk Evaluation

Risk Identification, Assessment, and Management in Banking

Introduction

With the help of this Advanced Bank Risk Analysis training course, banks will be able to recognise, quantify, and manage risk in accordance with their risk profile and legal requirements. They will also learn how to balance risk and return in order to achieve long-term profitability and a competitive advantage. These kinds of abilities and expertise are essential to any bank's performance in an unpredictable market.

This training programme looks at the main risks, such credit risk, interest rate risk, and market risk, so banks can build a diversified portfolio of assets and liabilities that is appropriate for the digital age and can handle threats from operational and economic risk, like money laundering and fraud. The training programme examines how derivatives may be used to mitigate risk rather than create it, building on the lessons learned during the financial crisis.

This training session on Course N Carry will emphasise:

- The commercial and economic environments that banks will face in the future
- The main dangers that banks face
- Risk metrics derived from statistics, such VAR
- The methods & instruments for risk management
- Banking regulatory standards (Basle II & III)

Objectives

Upon completion of this training programme, you will be able to:

- Determine the main risks the bank is facing.
- Assess and quantify risk in accordance with the risk profile and guidelines of the bank.
- Effectively manage risk
- Consider using derivatives as a strategy for risk management.
- Juxtapose risk, return, and legal constraints.

Training Methodology

In this Advanced Bank Risk Analysis training course, formal lectures and interactive working examples will be combined with workshop concepts. We'll utilise pertinent

scenarios to demonstrate how each tool is employed in an operational setting. There will be hands-on activities to reinforce each learning point. Using examples from real-world situations, the teacher will clearly explain and show how these strategies are utilised.

Organizational impacts

Businesses will benefit from:

- Enhanced risk consciousness
- An organizational-wide culture of risk management
- Enhanced risk control and strategic analysis of the bank's available choices
- Enhanced capacity for management and decision-making
- Employees with more self-assurance and comprehension

Personal Impact

Delegates who participate in this training programme will:

- Increase their understanding of risk management so they can advise their bank on it.
- Possess the ability to evaluate and manage risks efficiently, or to contribute to them.
- Make wise choices on risk management
- Obtain better job opportunities
- Possess the ability to examine and assess risk management techniques critically.

Who should attend?

Though a broad variety of professions may benefit from this training, the following will be especially noted:

- Professionals in risk management seeking to expand their expertise
- Senior professionals and bank managers looking for a position in risk management
- Bank employees want to expand their expertise
- Individuals in charge of executing, overseeing, or handling risk
- Individuals with a strong interest in money and banking

Course Outline

Day 1

Hazard Assessment

- What does risk management entail?

- Uncertainty and risk

- Creating and putting into practice a risk management plan
- Risk metrics derived from statistics and portfolio theory

Day 2

Recognising Risk in Banking

- Main hazards that banks face
- Risk of the market
- Credit risk assessment and management
- Risk of interest rates
- Operational risk includes money laundering and fraud.

Day 3

Assessing Danger in Banking

- Statistical indicators of volatility and risk in banking
- The Value At Risk, or VAR,
- Estimating the projected loss or deficit
- Stress evaluation
- Using Risk Adjusted Return on Capital, or RAROC, to make credit choices

Day 4

In banking, risk management

- Management of assets and liabilities
- Matching the product line to the level of risk
- Calculating risk costs
- Risk management in accordance with Basel II and III
- Computer-based methods for assessing and determining credit risk

Day 5

Derivatives: Hazard or Instrument for Risk Control

- Swaps, futures, options, and forwards
- Credit default swaps and CDOs
- Takeaways from the Financial Crisis of 2008

- Managing trading and derivatives in banking