

## Enterprise Risk Management in Banks

### Overview

This seminar reviews accepted best practice for Enterprise Risk Management (ERM) in banks. Taking a top level and more strategic view on the risk the bank runs, the seminar reviews key financial and non-financial risks and shows the integrated nature of these risks.

### Learning Objectives

Upon completion of this seminar delegates will be able to:

- » Discuss how risk links with strategy through the risk appetite statement
- » Explain the meaning of key risks and their linkages to other risks
- » Review risk measurement techniques and methodologies
- » Understand the operation of ERM within a bank

### Who Should Attend

This seminar is designed for risk managers, relationship managers, investment and commercial bankers, credit analysts, central bankers, corporate treasurers and other financial professionals concerned with risk management in financial institutions.

### Program Level

**Program Level:** Intermediate

**Prerequisites:** None

**Advanced Preparation:** None

**Delivery Method:** Group-Live, including: Presentations, Discussions and Case Studies.

### Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.nasbaregistry.org](http://www.nasbaregistry.org).

### WHY MOODY'S ANALYTICS?

#### Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

#### Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

#### Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

# Enterprise Risk Management in Banks – Agenda

## DAY ONE

### Session 1: Risks and Risk Management

- » Risk identification: core banking risks
- » Key linkages between credit, liquidity and market risks
- » Risks inherent in people and technology: operational risks and conduct risks
- » Top and emerging risks: a 2017 perspective
- » Economic capital as an integrated risk measure
- » The risk appetite statement

### Session 2: Credit Risk

- » Asset quality
- » Key model risks in assessing asset quality
- » Expected loss under IFRS9
- » Default and migration correlations
- » Credit portfolio management
- » Expected loss vs. unexpected loss as measured by economic capital and regulatory capital
- » Counterparty credit risk & credit valuation adjustment (CVA) issues
- » Credit risk treatment under Basel

### Session 3: Liquidity Risk

- » Asset and liability mismatches and liquidity gaps
- » Modeling non-maturity deposits
- » Contractual vs. behavioral gaps & structural mismatch ratios
- » Regulatory metrics: LCR and NSFR
- » Liquidity buffer: size, cost and relationship to liquidity stress tests
- » Risks created by the buffer: traded credit risk and market risks
- » Integrating liquidity risk into the FTP
- » Contingency funding plans

## DAY TWO

### Session 4: Market risk: Interest Rate Risk in the Banking Book (IRRBB)

- » Asset and liability mismatches and interest rate gaps
- » Net Interest Income (NII) sensitivity and measures
- » The importance of deposit betas in NII analysis
- » Equity sensitivity and Economic Value of Equity (EVE)
- » Standardized treatment of IRRBB under Pillar 2
- » Interest rate risk and traded credit risk on the liquidity buffer

### Session 5: Market risk: Traded Portfolios

- » Understanding the nature of a flow-based business model
- » Measuring market risk in open positions: net open position size and sensitivity measures
- » Measuring unexpected loss using Value at Risk (VaR) and Expected Shortfall (ES)
- » Counterparty credit risk and the links between credit risk, market risk and liquidity risk caused by collateral

### Session 6: Business and strategic risks

- » Solvency vs. economic viability
- » Defining business/strategic risk
- » Measurement issues

### Session 7: Non-financial risks

- » The scope of operational risk
- » Operational risk management framework and tools
- » Review of operational losses
- » Conduct/Compliance risk as an operational risk driver
- » Measuring operational risks
- » Measuring unexpected loss for operational risk

## Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

## Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

## Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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