RCBS RISK CAPITAL AND BASEL III SPECIALIST

Day 1

Credit Risk & Supervisory

→ The Credit Creation Multiplier – the importance of a consistent supply of credit to the global economy.

→ The function and purpose of Risk Capital in banking – why is it the focus of regulation on a global scale and the evolution of the Basel Accords.

→ The Credit Crisis of 2008 – Analysis of its causes and effects, and what we should learn from it

→ The Regulatory response to the 2008 crisis. The deficiencies identified in relation to Basel II, and the thinking behind the introduction of Basel III.

→ The key areas of focus of the new accord

Day 2

Pillar 1: Minimum Capital Requirements

→ Understanding the components of credit risk and the principles behind the calculation of PD, LGD, EAD.

→ An introduction to the mathematics of credit risk management – the use of Internal and External Ratings, credit scoring, statistical models, market implied indicators and Value at Risk assessments.

→ The various methods for the calculation of "Risk Weighted Assets" on both a portfolio or individual credit basis.

→ The various components that constitute Tier 1 and Tier 2 Bank Capital

→A full review of the minimum capital requirements applied under Basel III related to credit risk.

→ A review of the purpose and effect of the Capital Conservation and Counter Cyclical Buffers and how they enable credit analysts to estimate potential credit losses.

→ The introduction of LCR and NSFR and how they can be calculated

→ G-SSII and O-SII buffers explained

→ Foundational level and Advanced level credit risk assessments – the capital implications when compared with the Standardised approach

→ Credit Value adjustments and the capital implications of derivatives and other ancillary credit risk exposures.

→ The assessment of Operational Risk and how this calculation feeds into Capital Adequacy Assessments.

→ The assessment of Market Risk and how this calculation feeds into Capital Adequacy Assessments

→ IFRS 9 asset recognition and measurement assessments.

→ TFRS9 impairment standards and the potential Capital implications that arise

Day 3

PILLAR 2: The Srep Process

→ The aggregate calculation of Bank Risk Capital relevant to credit risk – Behaviours that regulators expect banks to comply with.

→ The role and purpose of SREP

→ Regulatory expectations and the principal of individual capital guidance.

→ The purpose of and format of ICAAP submissions

→ The purpose and format of ILAAP submissions

→ Recovery and Resolution Plans – their purpose, format and potential implementation

Day 4

PILLAR 3: Market Disclosures

→ The purpose and intent of the Pillar 3 requirements.

→ Expectations with regard to the way that market exposures are presented.

→ The potential conflict between regulatory disclosure and commercial proprietary

→ Integrating the requirements of Basel ii into an institution's Risk Management Framework

→ Practical steps and exercise related to the way in which banks are integrating the Basel iii requirements into their Risk Appetite Statements and Capital Management Processes

Day 5

Consolidation exercises related to the subject matter studied during the course

→ Further Regulatory Expectations – Preparing for "Basel 4" from 2021 Final Test / assessment

Final Questions and Answers.