

INTERNATIONAL

PROFESSIONAL QUALIFICATION IN RISK MANAGEMENT



HOUSE OF TRAINING





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Effective risk management today is a necessity not only for banks, but also for various players across the industry. ALRiM, the Luxembourg Association of Risk Management Professionals, and the House of Training-ATTF have therefore developed a training programme in risk management which provides a professional qualification for these business activities as well as for professionals and managers from other areas of financial services who want to acquire a solid understanding of risk management.

HOUSE OF TRAINING

Formally established in 2015, the House of Training brings together, under a single roof, the training institutes of both the Chamber of Commerce and the Luxembourg Bankers' Association (ABBL), who are renowned for their expertise and their vast offerings in the field of continued vocational training in Luxembourg.

www.houseoftraining.lu

ALRiM

ALRiM, the Luxembourg Association for Risk Management, has been dedicated to developing risk management in Luxembourg and internationally since its foundation on July 1, 1997 under the name of "PRiM". ALRiM is a non-profit organisation (association sans but lucratif), the members of which are professionals with an interest in risk management. With the support of its members and its board of directors, ALRiM meets its objective of developing risk management through a variety of activities.

www.alrim.lu

ATTF

The ATTF, being the French acronym for "Agence de Transfert de Technologie Financière" (or Financial Technology Transfer Agency in English) developed into a strong name brand over the years since its creation.

The House of Training seeks through its ATTF, or international activities, to be the partner of choice for the Luxembourg Government in the field of knowledge transfer to its selection of partner countries, which are mostly developing countries. The House of Training offers internationally orientated seminars and provides technical assistance in specific technical knowledge in the domain of banking, capital markets and other vocational sectors both in Luxembourg and abroad. This type of technical assistance is mostly provided through government funding to ca. 55 partner institutions in more than 40 countries worldwide.

www.attf.lu

Programme

A chain of events that led to the global economic crisis back in 2008 represented a starting point that gave rise to the importance of risk management for many global financial institutions. By consequence, the House of Training-ATTF has noticed a significant increase in the demand by its partner countries for training in risk management in the banking and finance industry. The nature of these demands varied from risk management training at foundation level to very specific topics in the domain of risk management. One of the missions of the ATTF is to respond adequately to these demands from its partner countries and therefore it has created the following offer.

The qualification programme offer covers 2 levels of understanding (fundamentals and intermediary/advanced), each one composed of separate training units. The knowledge and professional competences are tested and validated by means of written examinations.

To obtain the Risk Management Specialist certificate, candidates must register to the "Certification in Risk Management in Banking", a 10-day seminar being organized in Luxembourg every year.

Modules and certification programmes are offered in English language only.

In consultation with the House of Training-ATTF, selected modules may be combinable and subject to your needs, the content or duration may potentially be modified.

Most modules have a duration of 3 days, however where local translation is taking place the duration is typically extended by one day.

For certification opportunities within your own country, please contact the House of Training-ATTF.

01. Fundamentals

Risk Management in Banking

(1-3 days)

02. Specifics

Market Risk

(3-4 days)

Credit/ Counterparty Risk

(3-4 days)

Operational Risk

(3-4 days)

Asset and Liability Management

(3-4 days)

Regulation for Banks

(3-4 days)

Liquidity Risk

(3-4 days)

03. Certification

Certification in Risk Management in Banking

(10 days)

LEGEND



> Certification



> In Luxembourg



> In partner country

Courses in detail

01. Fundamentals

RISK MANAGEMENT IN BANKING (1*-3 DAYS)

The objective of the course is to provide participants with a good understanding of risk management for banks.

Target audience

Banking professionals from banks (commercial and central), financial institutions or supervision authorities. The course will particularly interest risk managers, auditors and managers from different banking areas.

Contents

By the end of this course, participants will have a good understanding of:

- Risk management in banking
- The Basel Accord and its role in managing risk
- Market risk and the different types of risk that belong to it
- Credit risk and how to manage it for retail and corporate banking
- Operational risk across the departments of a modern bank
- Liquidity risk and how it impacts banks
- Future trends in risk management for banks

**1-day would need to be combined with another module.*

02. Specifics

RISK MANAGEMENT - MARKET RISK (3-4 DAYS)

Market risk is a vast area that focuses on the chance that an investment's value will change as a result of forces in the marketplace. Managing those forces and the interaction between them is the core of market risk management. The objective of this course is to provide participants with a good understanding of market risk and how to manage it.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management and who wishes to acquire a solid understanding of market risk.

Contents

By the end of this course, participants will be able to:

- Define market risk and explain its evolution
- Describe and understand the basic components of market risk:
 - Interest rate risk
 - Foreign exchange risk
 - Equity risk
 - Commodities risk
- Understand the interaction between market risk and other risks
- Evaluate the market risk of derivatives and portfolios
- Understand and apply risk factors, valuation models and normal distribution calculations
- Explain the use of value at risk (VaR) in measuring and managing market risk
- Understand other methods and tools for managing market risk

RISK MANAGEMENT - OPERATIONAL RISK (3-4 DAYS)

Operational risk is the “risk of loss resulting from inadequate or failed internal processes, people and systems or from external events” (Basel Accord). Because operational risk impacts practically every area of financial services, it has become an important area of focus among financial service professionals. This course provides participants with a good understanding of operational risk and how to manage it.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management and who wishes to acquire a solid understanding of operational risk.

Contents

By the end of this course, participants will be able to:

- Define operational risk in accordance with market standards
- Understand the regulatory environment for managing operational risk
- Identify and categorise the different causes of operational risk in financial services
- Assess the potential impact of diverse operational risk
- Understand different quantitative and qualitative approaches to managing operational risk
- Appreciate the importance and use of an operational risk incident database
- Identify different means of mitigating operational risk
- Understand different ways of organising an operational risk management function

RISK MANAGEMENT - CREDIT/COUNTERPARTY RISK (3-4 DAYS)

Credit risk is the oldest form of risk in financial markets. Although credit risk has existed since antiquity, we still have not perfected the way in which we manage it, as witnessed by the high-profile losses that are often reported in the press. This course provides participants with a good understanding of credit/counterparty risk and the methods for managing it effectively.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management and who wishes to acquire a solid understanding of credit and counterparty risk.

Contents

By the end of this course, participants will be able to:

- Understand the fundamental concepts of credit/counterparty risk
- Describe the international regulatory environment for credit/counterparty risk, particularly the Basel Accord
- Understand the basic components of credit/counterparty risk:
 - Probability of default
 - Exposure at default
 - Loss Given default
- Evaluate and understand internal and external ratings
- Understand value at risk (VaR) and its use in measuring credit/counterparty risk
- Explain the counterparty risk for derivatives, particularly over-the-counter derivatives (e.g., credit default swaps)
- Describe different portfolio models for credit/counterparty risk

RISK MANAGEMENT - ASSET AND LIABILITY MANAGEMENT (3-4 DAYS)

Every company must manage the delicate balance between its assets and its liabilities. For banks, asset and liability management is crucial for managing risk and ensuring an optimal level of liquidity. This course provides participants with a good understanding of how banks use asset and liability management (ALM) to reduce and manage a variety of risks.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management and who wishes to acquire a solid understanding of ALM.

Contents

By the end of this course, participants will be able to:

- Understand the components of ALM
- Appreciate the importance of the assets and liabilities committee (ALCO) and other organisational aspects of ALM
- Distinguish between strategic ALM and operational ALM
- Evaluate interest rate risk in the context of ALM
- Conduct different types of analyses, such as a gap analysis, a duration and basis point value (BPV) analysis, liquidity gap analysis
- Analyse the impact of foreign exchange risk
- Understand non-maturing liabilities
- Describe how to implement an ALM system
- Apply value at risk (VaR) calculations in the context of ALM
- Understand fund transfer pricing systems

RISK MANAGEMENT - REGULATION FOR BANKS (3-4 DAYS)

Although closely related, risk management and regulation are quite different. Risk management takes place within an individual organisation and aims to identify, measure and mitigate risks before they become losses. Regulations are normally created, implemented and enforced by public authorities for the benefit of an entire country or region. This course explores the interaction of regulation and risk management with a particular focus on the work of the Basel Committee on Banking Supervision, which serves as an important foundation for regulating risk and risk management in banks.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management fundamentals and who wishes to acquire a solid understanding of the interaction between risk management and regulation.

Contents

By the end of this two-day course, participants will have a good understanding of:

- Risk and regulation
- The Basel Committee on Banking Supervision
- The international regulatory environment for risk management
- Risk management, the Basel Accord and how to manage:
 - Credit risk
 - Market risk
 - Operational risk
 - Liquidity risk
- Regulating risk in financial services
- Future trends in risk and regulation

RISK MANAGEMENT - LIQUIDITY RISK (3-4 DAYS)

Since the Financial Crisis of 2008, which is often described as a liquidity crisis, liquidity risk has become a major area of focus in risk management. Many of the changes in Basel III target liquidity risk and how banks can protect themselves against it. The purpose of this course is to provide participants with a good understanding of liquidity risk and how to manage it.

Target audience

This training course has been designed for anyone who already has good knowledge of risk management fundamentals and who wishes to acquire a practical understanding of liquidity risk.

Contents

By the end of this course, participants will be able to:

- Understand the various forms of liquidity risk and their sources
- Analyse funding and asset liquidity risk
- Judge the impact of governance and organisational structure on liquidity risk
- Apply the most common methods for measuring liquidity risk
- Develop a contingency funding plan
- Evaluate the regulatory environment for liquidity risk in banks and investment funds
- Understand the changes in Basel III regarding liquidity risk

03. Certification

RISK MANAGEMENT IN BANKING (10 DAYS)

The certification programme: Risk Management in Banking, Foundation Level provides participants with a solid foundation in risk management, which can serve as a basis for more advanced courses or as an entry into risk management.

Target audience

Professionals from banks (commercial and central), financial institutions or supervision authorities such as risk managers, auditors and department managers, with at least 3 years of experience in the banking environment.

Contents

By the end of this course, participants will have a good understanding of:

- Fundamentals of risk management
- Measuring and managing market risk
- Measuring and managing credit / counterparty risk
- Measuring and managing operational risk
- Measuring and managing liquidity risk

Examination

The participants will have their newly acquired knowledge validated through a written exam, and will be granted a certificate of achievement issued by the Luxembourg Association of Risk Management Professionals (ALRiM) and the House of Training.

Location & duration

- in Luxembourg: 10 seminar days, exam included



HOUSE OF TRAINING



Note

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 called "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.

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

Contact

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