



The Institute
of Bankers
Pakistan



ENTERPRISE RISK MANAGEMENT

Date: April 30, 2019

Last Date of Registration: April 29, 2019

Venue: IBP, Karachi | Timings: 9 am - 5 pm

Fee: PKR 40,000/- Per Participant

COURSE FACILITATOR

PETER BUERGER

Managing Partner - Risk & More

COURSE OVERVIEW

Enterprise risk management includes the methods and processes used by banks, institutions and organizations to manage risks and seize opportunities related to the achievement of their objectives. This 1-day course will provide a thorough understanding of all elements of modern risk management, including stakeholder requirements, framework & principles, managing key constraints (capital and liquidity) and other risks in order to enable staff to proactively address risks and opportunities, protect the business as a whole and create value for stakeholders.





ENTERPRISE RISK MANAGEMENT

COURSE CONTENTS

Introduction – The “Playing Field”

- Investors’ requirements
- Regulatory requirements
- Risks and vulnerabilities in the banking sector
- Enterprise risk management framework – best practice

Solvency

- Common equity tier 1 capital ratio (CET 1 ratio)
- Tier 1 capital ratio (Tier 1 ratio)
- Total capital ratio (Capital Adequacy Ratio, CAR)
- Regulatory thresholds
- Case study: large international bank
- Regulatory thresholds Pakistan

Credit Risk and Asset Quality

- Credit principles
- Exposure - by portfolio
- Risk-weighted assets (RWA)
- Key credit parameters
 - Exposure at default
 - Probability of default
 - Loss given default
 - Expected and unexpected loss
 - Risk density
- Asset quality
 - Ratio of nonperforming loans and advances (NPL ratio)
 - Coverage ratio of nonperforming loans and advances
 - Forbearance ratio for loans and advances
- Case study: large international bank

Earnings and Profitability

- Return on equity (ROE)
- Cost to income ratio (CIR)
- Earnings structure

Balance Sheet Structure and Liquidity

- Liquidity
 - High-quality liquid assets
 - Liquidity coverage ratio (LCR)
 - LCR ratios of large international banks
- Funding
 - Stable versus market funding
 - Net stable funding ratio (NSFR)
- Balance sheet ratios
 - Loan to deposit ratio (LD ratio)
 - Debt to equity ratio
 - Asset encumbrance ratio
- Leverage Ratio

Market risk

- Trading book versus banking book
- Interest rate risk in the banking book (IRRBB)
- Foreign exchange exposure
- Market risk measurement
- Value-at-Risk (VaR) / Stressed-VaR

Other risks

- Operational risks
- Information technology risks
- Legal risk
- Basel IV for operational risk – the new formula
- Money laundering
- Conduct
- Compliance risk
- Business risk
- Reputation risk
- Strategic risk

Capital and Liquidity Planning – 7 Principles

- Internal capital adequacy assessment process (ICAAP)
- Internal liquidity adequacy assessment process (ILAAP)

Summary, Q&A



ENTERPRISE RISK MANAGEMENT

WHO SHOULD ATTEND

This technical workshop has been designed for a wide audience in the banking industry of Pakistan, and will be of value for staff in the following functions:

- Risk management / risk control (all risk types)
- Treasury
- Finance
- Audit
- Compliance
- Investor relations
- Business line staff, i.e. credit origination, trading and sales
- IT staff involved in risk management / finance / treasury issues

FACILITATOR

PETER BUERGER

Managing Partner - Risk & More

Peter Buerger is managing partner of Risk & More. In his 30 years in the financial services industry, he has acted in various risk management capacities in both strategic and operative functions. His core area of work and experience is financial risk management and banking regulation.

The former Deputy Chief Risk Officer and Manager London Branch of large international banking organizations has been working as a consultant

since 2010, and has trained financial services executives in a variety of banking/risk subjects in more than 30 countries.

Buerger is associated with renowned business schools in the United Kingdom, France and the United States

- Faculty Member, Pacific Coast Banking School / Seattle, WA, USA, in partnership with the Graduate School of Business at the University of Washington
- Honorary Senior Visiting Fellow in the Faculty of Finance, Cass Business School / City University London
- Associate, Paris Institute of Political Studies (SciencesPo), Paris, France

He is also author of the book *Banking Pillars – How Banks of all Sizes Can Achieve Excellence under Basel III*, published by The Risk Management Association (RMA).

A Company Set Up Under Section 42 of the Companies Act, 2017

FOR DETAILS PLEASE CONTACT

KARACHI

Ms. Zareen Bano
Tel: (021) 35277557
Email: zareen.bano@ibp.org.pk

Mr. Muhammad Akram
Tel: (021) 35277511
Email: m.akram@ibp.org.pk

Ms. Saba Majeed
Tel: (021) 35277522
Email: saba.majeed@ibp.org.pk

Mr. Arif Ali
Tel: (021) 35277532
Email: ali.arif@ibp.org.pk

Mr. Yasir Jawed
Tel: (021) 35277512
Email: yasir.jawed@ibp.org.pk



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