

Highlights of Advanced Risk Management Program



Photo: Dr. Nachiket Mor and G Gopalakrishna

CAFRAL organised a three day program from May 2-4, 2016 in Chennai for senior officers responsible for risk management from commercial banks, financial institutions and Reserve Bank of India. The Program was conducted in association with IFMR Finance Foundation, Chennai. The main architect of the program was Dr. Nachiket Mor, *Director on the Central Board of Reserve Bank of India*. He was assisted by Ms. Bindu Ananth, *Chair of IFMR Trust and the IFMR Finance Foundation* and Mr. Vaibhav Anand, *Partner and Head of Risk Analytics and Modelling at IFMR Capital*.

The objective of the program was to enhance the skill levels of senior officers of banks and financial institutions in the area of risk management. The program broadly covered Data Generating Process, Risk, Return and Value at Risk, Transfer Pricing, Interest Rate Risk, Credit Risk, Capital and Balance Sheet Management. The program also included discussion of case studies.

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Highlights of the Program on Credit Risk Management and Regulatory Capital



Photo: Monika Mars and Amarendra Mohan

The objective of the program was to discuss the latest international and national developments in management of credit risk and regulatory capital. The standardised approach for credit risk is undergoing a revision. Changes to the IRB Approach are being made by proposing constraints on credit risk model parameter estimates. These measures seek to balance simplicity and risk sensitivity and to promote comparability by reducing variability in risk-weighted assets across banks and jurisdictions.

In the Indian context, banks are planning to implement IRB Approaches. The Indian banking system needs to increase the level of capital for being Basel III compliant. In the context of the above developments at the global and Indian level, the program focused on practical implementation issues. Presentations were made on topics such as - Balancing simplicity and risk sensitivity: The Revised Standardised Approach for Credit Risk; Recent International Developments in implementing IRB Approach; Key Issues and Challenges in Migration to IRB Approaches by Indian Banks from a Supervisory and a Banker's Perspective; Latest International Developments in Implementing Pillar 2 under Basel III; Role of Credit Bureaus in Managing Credit Risk; Managing Credit Risk: Risk Appetite, Risk Culture and Risk Quantification; Implementing Basel III: Capital Needs and Capital Planning by Indian Banks.

The program had 32 participants from public and private sector banks, financial institutions, and industry bodies. There was participation from Chief Risk Officers, General Managers, Executive Vice Presidents, Senior Presidents and Senior Advisors, among others. There were two participants from Bangladesh. The speakers included Ms. Monika Mars, *Managing Director, MM Risk Advisory Services, Switzerland*; Mr. Robert Oates, *Chief Risk Officer, HSBC India*; Mr. P K Gupta, *Managing Director, State Bank of India*; Dr. M. S. Sastry, *Chief Risk Officer, State Bank of India*; Mr. Manish Sinha, *Chief Executive Officer, Equifax India*; Mr. Abhishek

Bhattacharya, Co-Head, Banks and FI Ratings, India Ratings & Research; Mr. Manish Jaiswal, Business Head, CRISIL Research & CRISIL Risk Solutions, CRISIL; Mr. Anirban Basu, RBI and Mr. Amarendra Mohan, CAFRAL.

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Highlights of the Program for Non-official Directors on the Boards of Public Sector Banks

CAFRAL organised a three day program from March 17-19, 2016 in New Delhi for the Non-official Directors on the Boards of Public Sector Banks. The objective of the program was to equip the newly inducted Non-official Directors on the Boards of Public Sector Banks as also Government and RBI Nominee Directors with necessary skills and knowledge so that they can carry out their roles as Directors on the Boards effectively. The keynote address was delivered by Ms. Anjuly Chib Duggal, Secretary, Department of Financial Services, Ministry of Finance, Government of India.



Photo: Anjuly Chib Duggal

The program broadly covered Governance issues, Role and Responsibilities of Non-official Directors of PSBs, Analysis of Financial Statements and IND AS, Financial inclusion and Technology, Recent regulatory developments, Basel III Capital and Liquidity Framework, and NPA management.

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Highlights from CABMP (CAFRAL Advanced Bank Management Program) Follow-up Program



Photo: G Gopalakrishna with the Program Participants

The Centre for Advanced Financial Research and Learning had conducted CAFRAL Advanced Bank Management Program for two weeks in October 2015. The participants of CABMP 2015 attended a one and half day Follow-up program from March 7-8, 2016 in Goa.

The objective of the program was to reinforce the learnings of CABMP 2015 and review the adoption of inputs of CABMP in various areas of functioning of banks. There were discussions on “Basel III Framework and Capital Planning” and “Issues and challenges facing banks – Technology, Governance and HR”. There were group presentations by the participants on the following issues:

- *How to improve credit risk management practices in banks?*
- *Business strategy - how to improve the efficiency and competitiveness of banks under current situation?*

Upcoming Events

Risk Based Supervision - Implementation Challenges

May 26-27, 2016 | Mumbai

The objective of the program is to provide a platform for the senior executives of commercial banks to appreciate and discuss the challenges faced by them during the preparatory period for transition to risk based supervision and also to understand the expectations of the regulators.

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Program on Asset Resolution and Managing NPAs

June 1-2, 2016 | Mumbai

The objective of the program is to deliberate and reflect on strategizing handling of stressed assets, provisioning, sale of assets, role of ARCs etc. which are currently bothering the banking system. The newly passed Bankruptcy code and its implementation would also be discussed.

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