



# Programme on Market Risk Capital Charges

(Focus: Fundamental Review of the Trading Book)

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July 10 – 15, 2017

*Coordinator*  
Dr Sanjay Basu



National Institute of Bank Management  
Pune, India

# Programme on Market Risk Capital Charges

(Focus: Fundamental Review of the Trading Book)

The global crisis has brought about sweeping changes to the estimation of market risk capital charges. The revised standardised framework, finalised in January 2016, is much more risk-sensitive. The revised IMA captures the impact of stress episodes on the trading book. There is also greater emphasis on monitoring counterparty credit quality and market liquidity. In short, global meltdown has made regulatory capital charge estimates more sensitive to specific-risk and stress scenarios.

However, banks in emerging markets will face serious skill gaps during the transition to FRTB. This programme will help them appreciate the nuances of different loss estimation methods. It will make them estimate tail risks with techniques like 'expected shortfall'. It will allow them to measure traded credit and liquidity risks. It will also enable them to define Market Risk appetite and improve Market Risk policies. In sum, our programme will equip banks with the latest tools and concepts for migration to the FRTB.

## Training Methods

Class discussion of concepts and techniques, lab exercises, case studies and sharing of experiences.

## Faculty

In addition to NIBM faculty, professionals and practitioners from leading banks and other institutions will participate as guest faculty.

## Content

- ❑ **Evolution of Market Risk Capital Charges:** Overview of Market Risk Management; Revisions to the Standardised Approach under FRTB Delta, Vega and Curvature Risks.
- ❑ **Prerequisites:** Volatilities, Correlations and Probability Distributions; Duration and Convexity for Fixed Income Portfolio Management; Spot and Forward Rates for Bond Valuation; Derivatives for Market Risk Management.
- ❑ **Introduction to Value-at-Risk:** Variance-Covariance Method; Historical Simulation; Monte Carlo Simulation; Specific Risk Charges for Equity Positions.
- ❑ **IMA for Bonds:** Cash Flow Mapping for Variance-Covariance VaR; Historical Simulation and Monte Carlo Simulation Methods; Spread Risk, Default Risk and Migration Risk; Market Liquidity Risk.
- ❑ **Revised IMA:** Expected Shortfall; Default Risk Charge; Correlation and Liquidity Adjustments; Computation and Comparison of Capital Charges.
- ❑ **Implementation Challenges:** Setting Market Risk Limits; Designing Trading Strategies; Back-Testing and Model Validation; Market Risk Appetite and Policy.

## Target Group

The programme is intended for middle and senior-level executives who are dealing with market risk management in the risk management and treasury departments of banks and financial institutions.

## Dates

July 10 – 15, 2017

The programme will start at 9.00 am on July 10 and will conclude by 5.00 pm on July 15, 2017.

## Venue

NIBM Campus, Kondhwe Khurd  
Pune, India.

## Accommodation

The programme is fully residential. Participants will be provided well-furnished single room AC accommodation in the Institute's hostel complex on the campus. However, they will not be permitted to bring their family members to stay on the campus. In case any Officer/Executive with physical/medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements.

The Institute has facilities for outdoor and indoor games and a large walking/jogging trail for physical fitness besides a yoga centre. Participants are therefore encouraged to bring appropriate clothes/gear.

## Programme Coordinator

**Dr Sanjay Basu**

Associate Professor

Associate Dean-Education

(Finance Area Group)

### Last Date for

### Receiving Nominations:

June 30, 2017

### Last Date for

### Availing Early Bird Incentive of 5%:

June 24, 2017

(See fee structure on  
home page of the website)

## Nominations and Enquiries

Please address your enquiries and  
nominations to:

Dr Sanjay Basu

Programme Coordinator

National Institute of Bank Management

NIBM Post Office, Kondhwe Khurd

Pune 411 048, India

Tel. : 0091-20-2671600 (EPABX)  
26716129 (Direct)

Fax : 0091-20-26834478

E-mail : sbasu@nibmindia.org

Website : www.nibmindia.org

## Programme Fee (per participant)

### US \$ 2400 for foreign participant

(See fee structure on home page of the website for incentive)

	Fee	ST	SBAC	KKC	Fee+ST+ SBAC+KKC	TDS
Mem. Banks	: 50400	7056	252	252	57960	5040
Non-Mem. Banks	: 58800	8232	294	294	67620	5880

The fee includes the cost of tuition, board and lodging facilities, teaching material, etc. (Service Tax (ST) @ 14%, Swachh Bharat Abhiyan Cess (SBAC) @ 0.5%, Krishi Kalyan Cess (KKC) @ 0.5% and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

### Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and ST No. AAATN0040PST001.
- National Institute of Bank Management  
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

### Mode of Payment for Foreign Participants

#### Mode of Remittance: SWIFT\*

1. Name & Address of our Bankers : Oriental Bank of Commerce  
C-2, Shop No. 4-5, Bramha Estate  
Kondhwe Khurd, Pune 411 048  
Maharashtra, India
2. Name of the Account : National Institute of Bank Management
3. NIBM's Bank Account No. : Current A/C 11281131004402  
with Oriental Bank of Commerce
4. Bank's Swift Code : ORBCINBBFCP
5. Oriental Bank of Commerce A/c No. : 36152559  
with Correspondent Bank
6. Preferred currency : USD
7. Correspondent Bank : CITIBANK N.A.
8. Swift code for Citi Bank : CITIUS33

**\* The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

**\*Payments will be accepted only through electronic mode.  
Cheques/DDs/Pay Orders will not be accepted.**

- For all electronic remittances, kindly send a confirmatory e-mail at: [accounts@nibmindia.org](mailto:accounts@nibmindia.org) giving details of the remitter and participant, name and dates of programme, etc.

Please see programme fee structure on home page of the website for early bird incentive, incentives for SAARC and other developing countries, mode of remittance, Pune City route map and local conveyance.