



Programme on Market Risk Capital Charges Under Basel III

July 22 – 27, 2019

Coordinator
Prof Sanjay Basu



National Institute of
Bank Management
Pune, India

Programme on Market Risk Capital Charges under Basel III

The global crisis has ushered in radical changes, to the art of Market Risk Management. In the revised framework, finalized in January 2016, there is a clear attempt to predict the impact of unforeseen shocks, during stress episodes, under both the Standardized (SA) and Internal Models Approaches (IMA). There is more emphasis on capturing correlation breakdown, counterparty credit risk and market illiquidity, in abnormal markets. In sum, the meltdown has made Market Risk Capital Charges more sensitive to stress events.

However, most banks in emerging markets face serious skill gaps during the transition to more advanced approaches. This programme will help participants appreciate the nuances of different Market Risk methods. It will make them focus on extreme losses, with tools like Expected Shortfall, and select suitable stress models. It will allow them to measure specific risk and liquidity risk in the trading book. It will permit them to compare the costs and benefits of the SA and IMA. Finally, it will enable them to define Market Risk appetite and improve Market Risk policies. In short, our programme will equip banks with the latest techniques and concepts for Market Risk Management.

Content

Evolution of Market Risk Capital Charges: Overview of Market Risk Management; Duration and Convexity for Fixed Income Portfolio Management; Standardized Duration Approach; Derivatives for Market Risk Management; Market Risk Capital Charges for Derivatives.

Prerequisites for IMA: Volatilities, correlations and probability distributions; Spot and forward rates for bond valuation.

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; Valuation of Illiquid Securities and Market Liquidity Risk; Credit Valuation Adjustment for Derivatives; VaR for Derivatives.

Stress Testing for Trading Book: Selection of stress models under the Standardized Approach and IMA; Expected Shortfall and Extreme Value Theory.

Implementation Challenges: Setting Market Risk limits; Designing trading strategies; Backtesting and Model Validation; Market Risk Appetite and Policy.

Who should Attend?

The programme is intended for middle, senior and top-level executives who deal with Market Risk Management in the Risk Management Departments and Treasury Mid-Offices of banks and financial institutions.

Training Methods

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

Faculty

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

Programme Coordinator

Dr Sanjay Basu

Dates

July 22 – 27, 2019

The programme will commence at 9.00 am on July 22 and conclude by 5.00 pm on July 27, 2019. Participants are expected to reach NIBM Campus positively by the evening of July 21, 2019.

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

Prof Sanjay Basu

Associate Professor
(Finance Area Group)

Last Date for

Receiving Nominations:

July 12, 2019

Last Date for

Availing Early Bird Incentive of 5%:

July 6, 2019

(See fee structure on
home page of the website)

Nominations and Enquiries

Please address your enquiries and
nominations to:

Prof Sanjay Basu

Programme Coordinator

National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune 411 048, India.

Tel. : 0091-20-26716000 (EPABX)
0091-20-26716129 (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	GST	Fee+ GST	TDS
Member Banks :	50400	9072	59472	5040
Non-Member Banks :	58800	10584	69384	5880

The fee includes the cost of tuition, board and lodging facilities, teaching material, etc. (Goods and Services Tax (GST) @ 18%, 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 NIBM GSTIN No. 27AAATN0040P1ZJ.
- 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 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.