

**Programme on
Market Risk
Capital Charges:
Internal Models and
Regulatory Approaches**

December 12 – 17, 2022

Programme Directors
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**National Institute of
Bank Management
Pune, India**

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**Azadi Ka
Amrit Mahotsav**

Introduction

Global financial markets have become more turbulent over the last one year. Bond and equity segments have experienced extreme shocks during this period. Volatility spillovers have been aggravated due to coordinated rate hikes by major Central Banks across the world. As a result, Indian Banks and Financial Institutions (FIs) have also made large market-to-market losses in their trading books. Hence, it has become imperative to improve market risk management methods, systems and processes. Banks and FIs need to capture the impact of extreme losses, correlation breakdowns, market illiquidity and credit risk in the trading book.

In the above context, it is important to consider the adoption of more risk sensitive methods of market risk measurement. This includes greater focus on Internal Models Approach (IMA) under Basel II.5 and enhancement of the stress testing framework for market risk. This will also ensure that banks are prepared for a smooth transition to the FRTB (Fundamental Review of the Trading Book) Framework which is scheduled for global implementation from January 1, 2023.

Objectives

The objectives of this programme are to provide the participants with a comprehensive understanding of market risk measurement, management and computation of regulatory capital charges under the Standardized and Internal Models Approaches. The scope of the programme includes:

- The relevant methods and concepts for loss estimation, including assessment of tail risks with techniques like Value at Risk (VaR) and Expected Shortfall (ES)
- Measurement of traded credit risk and liquidity risks
- Refinement of Market Risk appetite and Market Risk policies to reflect higher financial market volatility

Programme Content

- **Evolution of Market Risk Capital Charges:** Overview of Market Risk Management: the Standardized Duration Approach under Basel II
- **Revised Standardized Approach under FRTB:** Delta, Vega and Curvature Risks; Correlations and Portfolio Capital Charges; Jump-to-Default Models and Default Risk Charge; Counterparty Credit Risk and CVA Capital Charges
- **Introduction to Value-at-Risk:** Variance-Covariance Method; Historical Simulation; Monte Carlo Simulation; Specific Risk Charges for equity positions.
- **IMA for Bonds:** Spot and Forward Rates for Bond Valuation; Cash Flow Mapping for Variance-Covariance VaR; Historical Simulation and Monte Carlo Simulation methods; Specific Risk Charges for Bonds - Spread Risk, Default Risk and Migration Risk
- **Stress Testing for Market Risk:** Scenario Analysis under the Standardized Approach; Computation of Stressed VaR and ES
- **Implementation Challenges:** Setting Market Risk limits; Designing trading strategies; Backtesting 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: December 12 – 17, 2022

The participants are requested to report by the evening of December 11, 2022.

Venue: NIBM Campus, Kondhwe Khurd, Pune, India

Participants attending the programme on campus will be subject to Covid protocol as per prevailing guidelines for educational institutes (as per notifications by government/civic authorities)

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.

Completion Certificate

A completion certificate will be given to the participant at the end of the programme

Nominations and Enquiries

Nominations are invited from both institutions and individuals from India and abroad. Executives working in banks/ financial institutions/ consulting firms/ technology firms in the banking and financial services domain can also apply for the programme in their individual capacity.

Please address your enquiries and nominations to:

Prof Sanjay Basu

Prof Tasneem Chherawala

Programme Directors

National Institute of Bank Management

NIBM Post Office, Kondhwe Khurd

Pune 411 048 (INDIA)

Tel. : 0091-20-26716000 (EPABX)
26716129/26716124 (Direct)

E-mail : sbasu@nibmindia.org; tasneem@nibmindia.org

Website : www.nibmindia.org

For nominations, please login using the following link:

<https://erp.nibmindia.org/POApplication/>

Last Date for receiving nominations: December 2, 2022

Last date to avail Early Bird Discount: November 26, 2022

Programme Fee (per participant)

US \$ 2400 for foreign participant

	Fee	GST	Fee+GST	TDS
Member Banks :	63000	11340	74340	6300
Non-Member Banks :	73500	13230	86730	7350
Individual Nominee :	73500	13230	86730	----

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).

Discounts

1. 5% "Early Bird" discount for nominations received at least 15 days prior to commencement of programme.
2. **Bulk nominations:** the following discounts will be applicable :
 - (a) 6-10 nominations – 5%
 - (b) 11-19 nominations – 10% and
 - (c) 20 and above – 15%

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 GST 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 : Punjab National Bank
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India
2. Name of the Beneficiary : National Institute of Bank Management
3. NIBM's Bank Account No. with Punjab National Bank : 11281131004402
4. Bank's Swift Code : PUNBINBDDIB
5. Preferred Currency : USD
6. Correspondent Bank of Punjab National Bank : WELLS FARGO BANK NA
7. Punjab National Bank A/c No.: 2000193007918 with Correspondent Bank
8. Swift Code with Wells Fargo Bank : PNBUS3NNYC
9. IFSC : PUNB0108810

* 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.**

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