



National Institute of Bank Management
Pune, India

Campus Programme on **MANAGING RISKS** under Basel 3 Pillar II (ICAAP)

February 17– 21, 2025

(Duration: 5 days)

Programme Directors
Prof Arindam Bandyopadhyay
Prof Sanjay Basu



Introduction

The Internal Capital Adequacy Assessment Process (ICAAP) is important for banks to ensure adequate risk management processes, greater rigour in stress tests and validation of models and buffers of capital and liquidity, commensurate with their risk profiles. Improper management of Pillar II risks may make banks less solvent and unstable, in both normal and stressed markets. Pillar II represents an intersection between compliance needs and management opportunities.

The purpose of the ICAAP is to inform the board of the ongoing assessment of the bank's risks, how management intends to mitigate those risks and, how much current and future capital is necessary. Under Basel III, similar questions are raised about liquidity requirements as well. Pillar II is an opportunity to narrow the gap between regulation and economic capital. A bank should evaluate whether capital targets for the long-run are consistent with short-term business goals. It should also assess whether short-run return maximisation has an adverse impact on asset liquidity and funding patterns.

Objectives

As the ICAAP should be customised for each bank, taking into account the particular risks and information available, the aim of the programme is to show how economic capital can not only be a component of a bank's ICAAP but also be implemented in its business processes like portfolio management, managing concentration risk, risk-based pricing, customer profitability analysis through RAROC and EVA, portfolio optimisation and management incentives. The risk-based economic capital approach to ICAAP enhances the board's and senior management's ability to understand how much capital flexibility exists to support risk appetite and the business expansion strategy. A well-designed ICAAP framework also keeps the top management abreast of the ALM concerns at the bank.

Programme Coverage

- ❑ Evolution of Basel Regulation: Pillar 1 and 2 Expectations of RBI
- ❑ ICAAP Principles: Review of Architecture and Key Features
- ❑ Regulatory Capital versus Economic Capital
- ❑ Credit Risk and Concentration Risk Assessment in Credit Portfolio: PD, LGD, EAD, Correlation, Expected Loss Provisioning, Concentration Risk Indices, Limit Setting, Economic Capital and RAROC
- ❑ Market Risk Assessment: Standardised Duration Approach vs Internal Models
- ❑ Liquidity Risk Assessment: Scenario Analyses and Stress Tests
- ❑ Interest Rate Risk in the Banking Book (IRRBB): NII and Duration Gap Approaches
- ❑ Reputation Risk and Strategic Risk Management

- ❑ Model Risk Management and Governance
- ❑ Assessment of Climate Change Risk
- ❑ Stress Testing: Credit Risk and Market Risk
- ❑ Linking Pillar II Risks to Capital Estimates
- ❑ Risk Appetite Setting and Risk Culture
- ❑ Risk Integration and Diversification through RAPM
- ❑ Business Projection, Risk Appetite and Capital Management
- ❑ Structuring ICAAP Report and ICAAP Validation
- ❑ Final Basel III Regulations and Capital Planning

Pedagogy

The classroom sessions will explain various methods to conduct extensive risk profile analysis (e.g., liquidity risk, IRRBB, concentration risk, model validation and stress testing), capital management, risk appetite and limit setting, and business planning. Numerous hands-on elaborations will demonstrate data applications. The programme will also include experience sharing by industry experts and regulator/supervisor.

Target Group

Middle / Senior / Top Management in the Risk Management / Planning departments.

Dates: February 17 – 21, 2025

The participants are requested to report at the venue by the evening of February 16, 2025.

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 in the campus. However, they would not be permitted to bring their family members to stay in 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.

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

Completion / Participation Certificate

A completion / participation certificate will be given to the participant at the end of the programme provided he / she attends the programme for the mandated hours of engagement.

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 regarding nominations and programme content to:

Programme Directors

Prof Arindam Bandyopadhyay

Email: arindam@nibmindia.org; Tel: +91-20-6904 6120 (D); Mobile: 8551032624

Prof Sanjay Basu

Email: sbasu@nibmindia.org; Tel: +91-20-6904 6129 (D); Mobile: 9850704234

Enquiries related to programme registration, accommodation, etc. may kindly be addressed to:

Programme Office

National Institute of Bank Management

NIBM Post Office, Kondhwe Khurd

Pune 411 048 (India)

Tel. : +91-20-69046000 (Board) / 6904 6214 / 6166 / 6210 / 6211

WhatsApp : 7887884083 (Messages Only)

Email : trainings@nibmindia.org / progofficer@nibmindia.org

Website : www.nibmindia.org

For registrations / nominations, please login using the following link:

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

If you find any difficulty in accessing the above link, then kindly advise your IT department to whitelist **nibmindia.org** domain in the firewall.

Last Date for receiving nominations : February 07, 2025

Last Date to avail 'Early Bird Discount': February 02, 2025

Programme Fee (per participant)

US \$ 2000 for foreign participant

	<i>Fee</i>	<i>GST</i>	<i>Fee+GST</i>	<i>TDS</i>
Member Banks	: 52500	9450	61950	5250
Non-Member Banks	: 61500	11070	72570	6150
Individual Nominee	: 61500	11070	72570	----

The fee includes the cost of tuition, teaching material, lodging facilities, etc. (GST @ 18 % and TDS @ 10%. Kindly send the TDS certificate on priority to NIBM).

As per the resolution of NIBM's 86th Finance Committee meeting held on January 31, 2023, all organisations / banks are required to make the full payment for all their nominations for the NIBM 'Executive Training Programmes / Workshops', prior to the commencement of the respective programmes / workshops. The Reserve Bank of India has given its consent for this new initiative.

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%
 - (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.: with Correspondent Bank | : 2000193007918 |
| 8. Swift Code with Wells Fargo Bank | : PNBPU3NNYC |
| 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 / digital remittances, kindly send a confirmatory e-mail to: accounts@nibmindia.org, giving details of the remitter, participant, Programme dates, title of programme, etc.***

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