CERTIFIED BANKING RISK ANALYST (CBRA)

COURSE OVERVIEW

The Certified Banking Risk Analyst (CBRA) program is a comprehensive, advanced-level course designed for banking professionals seeking to deepen their expertise in risk management. This program covers critical areas including credit, market, liquidity, and operational risks, equipping participants with the skills to assess, analyze, and mitigate potential threats to banking operations. Through a combination of theoretical knowledge and practical applications, participants will learn to transform complex data into actionable insights, enabling strategic decision-making and enhancing risk resilience within their institutions.

TARGET COMPETENCIES

- Credit Risk Assessment
- Market Risk Analysis
- Liquidity Risk Management
- Operational Risk Control
- Risk Quantification Techniques
- Regulatory Compliance Knowledge
- Strategic Risk Reporting

TARGET AUDIENCE

Risk managers, credit analysts, compliance officers, portfolio managers, and other banking professionals involved in risk assessment and management.

COURSE OBJECTIVES

By the end of this course, attendees will be able to:

- Evaluate credit risk using advanced analytical techniques.
- Analyze market risk exposures and implement mitigation strategies.
- Assess liquidity risk and develop management frameworks.
- Identify and control operational risks within banking operations.
- Apply quantitative methods to measure various risk types.
- Interpret and comply with relevant regulatory standards.
- Develop and present strategic risk reports to stakeholders.

COURSE METHODOLOGY

The course employs a blend of lectures, case studies, hands-on workshops, and group discussions to facilitate interactive learning and practical application of concepts.

COURSE OUTLINE

CREDIT RISK ASSESSMENT

- Understanding Credit Risk
  - Definition and components of credit risk
  - Factors influencing credit risk in banking
  - Importance of credit risk management
- Credit Risk Measurement Techniques
  - Probability of Default (PD) estimation
  - Loss Given Default (LGD) modeling
  - Exposure at Default (EAD) calculation
- Credit Rating Systems
  - Internal vs. external credit ratings
  - Rating scales and their applications
  - Limitations of credit ratings
- Credit Risk Mitigation Strategies
  - Use of collateral and guarantees
  - Credit derivatives and hedging techniques
  - Loan covenants and their role
- Case Study: Credit Risk Evaluation

MARKET RISK ANALYSIS

- Introduction to Market Risk
  - Types of market risk: interest rate, equity, currency, and commodity
  - Impact of market volatility on financial institutions
- Value at Risk (VaR) Methodology
  - Historical simulation approach
  - Variance-covariance method
  - Monte Carlo simulation technique
- Stress Testing and Scenario Analysis
  - Designing stress scenarios
  - Assessing the impact of extreme market conditions
  - Interpreting stress test results
- Hedging Market Risk
  - Derivatives as hedging instruments
  - Hedging strategies and their effectiveness
  - Regulatory considerations in hedging

LIQUIDITY RISK MANAGEMENT

- Understanding Liquidity Risk
  - Sources of liquidity risk in banking
  - Importance of liquidity risk management
- Liquidity Measurement Tools
  - Liquidity Coverage Ratio (LCR)
  - Net Stable Funding Ratio (NSFR)
  - Cash flow gap analysis
- Liquidity Risk Management Strategies
  - Contingency funding plans
  - Asset-liability management techniques
  - Diversification of funding sources
- Regulatory Frameworks for Liquidity
  - Basel III liquidity standards
  - Local liquidity regulations

OPERATIONAL RISK CONTROL

- Defining Operational Risk
  - Sources of operational risk in banking
  - Importance of operational risk management
- Risk Identification and Assessment
  - Risk and control self-assessment (RCSA)
  - Key Risk Indicators (KRIs)
  - Scenario analysis for operational risks
- Operational Risk Mitigation Techniques
  - Internal controls and procedures
  - Business continuity planning
- Regulatory Requirements for Operational Risk
  - Basel II and III operational risk guidelines
  - Reporting and compliance obligations

COURSE OUTLINE

RISK QUANTIFICATION TECHNIQUES

- Quantitative Risk Measurement
  - Statistical approaches for measuring risk
  - Evaluation of risk-adjusted returns
  - Assessment of portfolio-level risk exposure
- Advanced Risk Modeling
  - Credit portfolio models (CreditMetrics, CreditRisk+)
  - Market risk models (GARCH, EWMA)
  - Liquidity risk measurement models
- Integration of Risk Models
  - Consolidation of credit, market, and liquidity models
  - Enterprise-wide risk management framework application
  - Capital adequacy and risk-based capital assessment
- Model Validation
  - Validation techniques for risk models
  - Alignment with regulatory model expectations

REGULATORY COMPLIANCE KNOWLEDGE

- Overview of Regulatory Environment
  - Key global regulatory bodies
  - Major regulations impacting banking risk management
- Basel Frameworks
  - Basel I, II, and III capital adequacy standards
  - Liquidity and leverage ratios
- Local Regulatory Requirements
  - Local regulations and guidelines
  - Compliance reporting obligations
  - Regulatory inspections and audits
- Risk Governance
  - Role of the board and senior management
  - Internal audit and compliance functions

STRATEGIC RISK REPORTING

- Importance of Risk Reporting
  - Role of risk reporting in decision-making
  - Stakeholders in risk reporting
  - Frequency and timing of reports
- Risk Reporting Frameworks
  - Structure and content of risk reports
  - Key risk indicators KRI and metrics
  - Visuals and dashboards
- Regulatory Reporting Requirements
  - Compliance with regulatory reporting standards
  - Accuracy of reports
  - Consequences of non-compliance