

FIMCIR/2016-17/31

31st January, 2017

To All FIMMDA Members/ Non Members

Attn : **Treasury & Risk management Divisions.**

Dear Sir/ Madam,

Awareness Programme - Operational Risk Management Program on 6th -7th March, 2017

FIMMDA in co-ordination with Dun & Bradstreet Information Services (India) Pvt Ltd (D&B) is **hosting a new two day training programme on “Operational Risk Management Program” on 6th -7th March, 2017**

The programme is designed to help market participants understand the implementation issues of Operational Risk Management in their organisations especially keeping in mind the Basel guidelines. The workshop will include Measurement, Validation, Stress Testing, Scenario Analysis, , Monitoring, Best Practices and other relevant topics. The programme is generic and includes all operational risks including Treasury related. Case studies will be taken up for better understanding of the issues involved.

We held this program for the first time on 11th - 12th January 2017 and received very good reviews. On the basis of the feedback the new topic on Standardization measurement approach Basel III and Excel based case studies for operational risk capital modelling are added.

The training is aimed at middle level executives in the operational Risk management Area. The brief details of the program are as under:

Program title : Operational Risk Management Program

Course handled by : Faculty from D&B

Course Fee : Members : Rs 17,000 + 15% Service Tax Rs 2,550 =Rs.19,550
: Non Members : Rs 19,000 + 15% Service Tax Rs 2,850 =Rs.21,850

Period : 6th -7th March, 2017 (Monday & Tuesday)

Timing : 10.00 am to 05.00 pm including lunch break



Nurturing Markets,
Widening Horizons

Regd. Office: 2nd Flr, United India Bldg, Sir P.M. Marg,
Next to RBI Amar bldg. - Monetary Museum,
Fort, Mumbai - 400 001.
Tel: 022-22690321 - 26
Fax : 022-22626454

E-mail: training@fimmda.org

Venue : FIMMDA
2nd Floor, United India Building,
Next to RBI Amar Building - Monetary Museum
P.M. Road, Fort,
Mumbai - 400 001

Phone No : 022-22690326

Training coordinator: Ramandeep Kaur

E-mail Id : training@fimmda.org

Laptops will be provided by FIMMDA

A tentative time - table (Annexure I) of the course is enclosed for your perusal. This is a non - residential course.

The registration will be confirmed only on receipt of payment along with registration form.

Please send your registration forms by mail/fax, mentioning names of candidates you are sponsoring, followed by your detailed letter along with payment

Due to logistic reasons, we can accept up to a maximum of 20 candidates on first come first serve basis

Yours faithfully,

D.V.S.S.V Prasad
Chief Executive Officer

Enclose: Registration Form

Annexure I (Program Schedule / Contents for Operational risk management)



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REGISTRATION FORM

Operational Risk Management Program on 6th -7th March, 2017

Organization:

Office Address:

Telephone Number:

Fax Number:

Name of Participant/Designation	Department	Mobile No	E-mail ID

AUTHORISED SIGNATORY: _____

Date:

UTR NO:

Date:

Offline	Online	
Cheque /Demand Draft in Favor of "FIMMDA"	Account No	30782076282
	Name of Bank & Address	State Bank of India 'International' Post Box No. 11179, 16 Maharishi Karve Road, Churchgate, Mumbai - 400 020.
	IFSC CODE	SBIN0001821

Payment to be made along with registration form.



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(Annexure 1)

Operational Risk Management

Course Structure (Duration - 2 days)

Methodology:

- Presentation and discussions
- Cases/ exercises/ examples
- Excel based case studies as and when required

Key Takeaways:

- Concept of Operational Risk, its measurement and management
- Considerations of Basel II and Basel III
- Operational Risk Framework
- ORM Principles
- Internal and External Loss Data
- ORM Assessment and Controls
- Scenario Analysis
- KRI determination
- Operational Risk Capital Modeling : BIA, TSA and AMA as per Basel guidelines
- Best practices and implementation issues

Contents

- Concept of Operational Risk
- Operational Risk Management and Measurement
- Drivers of Operational Risk Management
- Considerations of Basel II and Basel III
- What are the Basel regulatory expectations
 - ✓ The first pillar – Minimum capital requirements
 - ✓ The second pillar – Supervisory review
 - ✓ The third pillar – Market discipline
- Overview of Basel Operational Risk Management Approaches : BIA, TSA, AMA
- Modeling Operational Risk Capital
 - ✓ Economic Capital
 - ✓ Regulatory Capital



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- Operational Risk Framework overview
 - Loss Data Collection
 - Risk and control self-assessment
 - Scenario Analysis
 - Key Risk Indicators
 - Reporting
- Case Study of Barings Bank Collapse
- Principles for Operational Risk Management as per Basel Guidelines
- Creating an operational risk policy boilerplate
- Operational Risk Loss Data Collection Process
 - Internal Data
 - External Data
- BASEL-II Detailed Loss Event Type Classification
- Challenges in Loss Data collection
- Case study of Societe Generale and External Event
- Risk and Control Assessments(RCSA)
 - RCSA Questionnaire Approach
 - RCSA Workshop Approach
 - Hybrid RCSA Method
 - RCSA Scoring Methods
 - Usage of Frequency and Severity Distribution
- Scenario Analysis in Operational Risk
 - Methods
 - Biases
 - Scenario Analysis Output



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- Key Risk Indicators
 - Selecting KRIs
 - KRI Standards ○ KRI examples
 - KRI Challenges
- Reporting Framework of Operational Risks
 - Loss Data Reporting of Internal and External events
 - Action Tracking Reporting
- Operational Risk Capital Modelling : Detailed Quantification as per Basel Guidelines
 - Basic Indicator Approach
 - Standardised Approach
 - Advanced Measurement Approach
- An overview of Standardized Measurement Approach-BASEL III
- Excel based case studies for operational risk capital modelling
- Stress testing and back testing of models
- Implementation issues
- Best practices of operational risk management

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