

# In today's complex business environment the risks for banks are also very complex and can be devastating



## India to tighten up banking risk management - Jaitley

NEW DELHI Thu Aug 21, 2014 12:56pm IST , CREDIT: REUTERS/DANISH ISMAIL/FILES



Finance and Defence Minister Arun Jaitley speaks during a news conference in Srinagar June 15, 2014.

(Reuters) - Finance Minister Arun Jaitley said on Thursday that the government was working to tighten up risk management in the banking sector, responding to recent scandals that have raised doubts about lending practices at state banks. Jaitley did not name any bank, but his comments followed the launch of an investigation into whether the head of state-controlled Syndicate Bank took bribes to roll over a loan to family-controlled Bhushan Steel.



the Bureau | Kolkata | Updated: Sep 20 2014, 15:43 IST

Indian Banks Association chief executive Mohan V Tanksale said, "We have to see whether the fraud perpetrators connived with the banks." Kaul said **the banks were de-risking their balance sheets by taking a conservative approach towards lending to big projects.** But not many big projects were going on at present and the choices for viable lending might emerge after six months, Canara Bank CMD RK Dubey added.

## Hong Kong central bank warns of 'very high' risks linked to higher rates

BY MICHELLE PRICE

HONG KONG, Sept 23 | Tue Sep 23, 2014 7:06am EDT

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(Reuters) - Hong Kong's de facto central bank warned on Tuesday that the city's lenders might face "very high" risks from rising interest rates, which will threaten to drain liquidity at a time banks have heavy loan commitments.

Arthur Yuen, deputy chief executive of the Hong Kong Monetary Authority (HKMA), told the Hong Kong Institute of Bankers' annual conference that the U.S. Federal Reserve's decision to end its asset-purchase programme could create "liquidity risks" for Hong Kong banks.

### Management Development Program (MDP)

## **"Risk Management Architecture in Banks under RBI guidelines"**

*(w.r.t. Basel-II and Basel-III)*

**Date: 20<sup>th</sup> November 2014**



Centre for Management Development

**PILLAI INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH**

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## **ABOUT THE PROGRAM**

Risk Management has assumed greater importance in the backdrop of failure of many banks globally. Basel Committee on Banking Supervision (BCBS) consisting of experts in the field of banking and risk management issued various guidelines under Basel-I, II and III detailing the methodology for risk identification, assessment, monitoring, mitigating, controlling and reporting of various risks in the banks besides, imposing supervisory responsibility on the local Regulator viz. RBI in India, to ensure the implementation of risk management framework in banks. In the background of these developments RBI issued comprehensive guidelines relating to risk management framework to be introduced in the banks in a time bound schedule.

Risk Management is critical for banking business. Although Risk and Return are directly proportional, it is imperative that risks should be held under control and return should be increased for achieving higher profitability in banks. As such, effective risk management oversight by the top management, approved risk policies, procedure documents, risk management tools and internal control measures have become essential elements in the framework. Risk professionals are required to re-jig their skill and knowledge continuously and constantly, so as to remain in total preparedness for facing any challenges posed by the risks. Risk is like fire, and the way we handle it, results in a positive or a negative impact on banking business.

The programme has been conceived with the objective of providing deep insight into risk management framework under Basel-II as per RBI guidelines. This will facilitate the risk professionals in banks to sharpen their skill and knowledge with a view to mitigating the impact of various risks on one hand and increasing return on capital on the other.

## **OBJECTIVES**

This program aims at delivering practical insights to the participants in the following areas:

- Creation of best risk management architecture in the banks
- Gaining better insight into the risk management guidelines of RBI under Basel-II and Basel-III
- Understanding effective risk management tools and internal control mechanism in banks
- Improving skill for navigating through risk-ridden banking business with the help of risk management approaches
- Assessing various types of risks in banking business under ICAAP of Basel-II
- Learning effective utilisation of capital in relation to Risk Weighted Assets

## **CONTENTS**

- Introduction to Basel-II and Basel-III under RBI guidelines
- Risk Management framework in banks
- Risk Management tools
- Internal controls under Pillar-I
- Risk assessment (ICAAP) and controls under pillar-II of Basel-II under RBI guidelines
- Basel-III guidelines for capital adequacy improvement and risk disclosures as per RBI
- Case studies

## **PEDAGOGY**

The course is developed based on RBI guidelines for risk management in Banks concerning Basel-II & III norms. The program will be delivered through power point presentation and knowledge sharing discussions and cases.

## **WHO SHOULD ATTEND?**

Junior and middle level executives in the banks who are entrusted with the responsibility of identifying, mitigating and managing risks and faculty in finance domain.

## **PARTICIPATION DETAILS**

### **Program**

This management development program is non-residential. The program timings are from 10.00 a.m. to 05.00 p.m.

### **Fees**

The fees for the program is Rs. 5000/- (five thousand only) per participant. The non-refundable fees include morning/evening tea/coffee, lunch as well as training material and folder.

### **Certificate**

All registered participants shall receive certificate of participation issued by Pillai Institute of Management Studies & Research.

### **Venue**

Pillai Institute of Management Studies and Research, Dr. K.M. Vasudevan Pillai Campus, New Panvel

### **Director PIMSR:**

**Dr. G. Vijayaragavan**

### **Program Coordinator:**

**Dr. Mukesh Goyal**

Head – Centre for Management Development

**Telephone:** 27456100 / 27451700 Ext. 221

**Mobile:** 9920899198, e-mail: [mcg@mes.ac.in](mailto:mcg@mes.ac.in)

## **TRAINER**

**Mr. K.G.S. Mani**, MBA, MBM, MIM, M.Com, M.Com, PGDFM, PGDMA, CAIIB, DTIRM, DBM, DFS, DCM, DCL, DLL, CBT(IIBF & NIBM)

**Vice President (Risk Management & Controls) – An MNC Bank**

Mr. Mani is risk management expert in banking sector. He belongs to the 1<sup>st</sup> generation of risk management professionals in the most reputed State Bank of India (SBI). Mr. Mani was specially trained by SBI in this domain and handled this portfolio for long for the bank.

A professional banker with more than three decades of experience in various facets of banking including implementing risk architecture, managing risks and training bankers in this domain, Mr. Mani has worked with SBI in the capacity of AGM – Risk Management, Credit Analyst, Branch Manager, Desk Officer (Credit Administration) and also as a faculty at SBI Training System.

Currently Mr. Mani is Vice President (Risk Management & Controls) with an MNC bank for the last 7 years. As HOD of Risk management Department he has not only managed various types of complex risks including Global ones but also has put in place the best risk management architecture in this bank.



## About the Institute

Established in 1998, **Pillai Institute of Management Studies and Research (PIMSR)** trains students for Master of Management Studies under the aegis of the prestigious University of Mumbai. **PIMSR is accredited by NBA for MMS program.** With approval from the All India Council of Technical Education (AICTE), **PIMSR** also offers MBA equivalent post graduate diploma programs (PGDM) and MBA (Executive) program. The Directorate of Technical Education, Government of Maharashtra, has awarded the institute an 'A' grade.

The institute is a part of the Mahatma Education Society founded by Dr. K. M. Vasudevan Pillai, a renowned academician and supported by Dr. Daphne Pillai, the Rector. MES is a large society in education field running 48 institutions in Mumbai & Navi Mumbai in diverse areas including schools, global academies, engineering colleges, sports academies, education colleges and management institutes. **PIMSR** has been ranked among the top private B-Schools in Business Baron's a list of B-Schools-2011). PIMSR is graded A+ in Business India Dec 2012. PIMSR is **approved by AICTE**, Ministry of HRD, Government of India and **accredited by National Board of Accreditation (NBA).**

The large faculty pool of PIMSR, comprising of very senior professionals and highly recognized academicians, has created an exciting learning environment for the students and participants.

Currently PIMSR has several international partners such as St. Mary's School of Economics and Business, University of California Berkeley, Moraga, California, Hebei University of Economics and Business, Shijiazhuang, China and Kaplan, Singapore.

To know more about PIMSR, please visit [www.pimsr.ac.in](http://www.pimsr.ac.in)





# Pillai Institute of Management Studies & Research

Dr. K.M. Vasudevan Pillai Campus, Sector-16, New Panvel 410206



## Management Development Programme Application Form

Programme Title: \_\_\_\_\_

Commences on: \_\_\_\_\_ Concludes on: \_\_\_\_\_  
(dd/mm/yyyy) (dd/mm/yyyy)

Participant Name: \_\_\_\_\_  
(IN BLOCK LETTERS)

Gender: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
(dd/mm/yyyy)

Mobile No.: \_\_\_\_\_ Landline No.: \_\_\_\_\_

Email: \_\_\_\_\_

Permanent Address: \_\_\_\_\_  
\_\_\_\_\_

Highest Educational Qualification: \_\_\_\_\_

Occupational Profile: \_\_\_\_\_

Organisation Name: \_\_\_\_\_

Designation: \_\_\_\_\_ Total Years of Service: \_\_\_\_\_

Organisation Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sign & Seal of nominating authority

Participant's Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Demand Draft/Cheque No. \_\_\_\_\_ Amount (Rs.) \_\_\_\_\_ Bank \_\_\_\_\_

*(The demand draft/Cheque will be in favour of "Pillai Institute of Management Studies & Research" payable at Mumbai. The DD/Cheque along with application form addressed to Prof. Dr. Mukesh Goyal, Head- Centre for Management Development should be sent to Pillai Institute of Management Studies & Research, Dr. K.M. Vasudevan Pillai Campus, New Panvel 410206, so as to reach latest by 15<sup>th</sup> November 2014)*