CAFRAL
CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING
Promoted by Reserve Bank of India

Program on Risk Management for Leaders

November 27-29, 2014

Program Objective

The core purpose of banks is to assume manageable level of maturity risk and credit risk and to generate a level of return consistent with it. This is hard to do even in relatively small financial institutions because of the fact that each risk is being assumed by the institution on a near continuous basis and not just in head offices but also in distant branches. Despite these difficulties, management of these risks is of key strategic importance for banks. Decisions such as the choice of data generating processes for each source of risk, implementing appropriately chosen transfer pricing methodologies and the setting of confidence bands to assess the requirements of capital, need more of attention of the top management than issues such as locations of new branches or making individual credit decisions.

1. How much economic capital is required for different business of the bank?
2. What are the drivers of the rating and valuation of the bank?
3. Is there a need to diversify the credit portfolio of the bank? What benefits will it give?
4. How should the interest rate risk in the bank be identified, measured and actively managed?

This program seeks to answer the above questions and other similar issues that the top leadership of the bank grapples with and needs to prepare for. This customised program "Risk Management for Leaders" is exclusively designed to equip the top leadership of banks with the necessary building blocks of the risk assessment and management process. The main focus of the program is to provide a good grasp of concepts and fundamentals of risk management particularly on credit risk and interest rate risk, and enhance the ability of senior management to take informed decisions and drive sophisticated risk management practices within the bank.

Brief Program Coverage

- Fundamentals of and basic ideas such as probability, random variables and data generating processes and building metrics such as Value at Risk and Return on Equity
- Application of basic ideas into actual risks (mainly credit risk and interest rate risk) faced by banks. How each of these risks is to be separately managed.
- Tools used by regulators and practitioners to manage these risks at an aggregate level

Training Methodology

The program will be conducted for a small batch of participants to ensure deeper understanding, individual attention and rich discussions. The program would include interactive sessions comprising lecture session on key concepts, exercises, case study and group discussion. Each participant will be provided a laptop during the training session. There is indeed some usage of mathematics and statistics since the essence of risk management is the quantification and management of uncertainty. However, the course modules are carefully developed, without assuming any prior knowledge of the associated tools and techniques.

Faculty Profile

The entire program module is designed especially for CAFRAL, by Dr. Nachiket Mor and will be delivered by him. Dr. Mor is a Yale World Fellow; has a Ph.D. in Economics from the Graduate School of Arts and Sciences at the University of Pennsylvania, with a specialization in Finance from the Wharton School; an MBA in Finance from the Indian Institute of Management, Ahmedabad; and an undergraduate degree in Physics from the Mumbai University. He is Board Chair of CARE India and a member of the Boards of Reserve Bank of India, IKP Trust, and CRISIL. He recently served as the Chair of RBI's Committee on Comprehensive Financial Services for Small Businesses and Low Income Households. He worked with ICICI from 1987 to 2007 and was a member of its Board of Directors from 2001 to 2007. In the past he has served as a Board Member of Wipro for five years and Board Chair of the Fixed Income Money Market and Derivatives Association of India for two years.

Participants Profile

The program is specifically designed and targeted at the Executive Directors/ Senior General Managers/Chief General Manager/President/General Manager of banks.

Date and Venue of the Program

Date: November 27 to 29, 2014. This is a residential program and participants may plan to reach the venue any time after 6 pm on November 26, 2014 and to depart after 6 pm on November 29, 2014.
Venue: L&T Management Development Academy, Lonavla, Maharashtra. Nearest airports are Pune and Mumbai.

Fees for the Program

Rs.55000+ service tax @ 12.36% per person (Inclusive of lodging and boarding, course materials and course fees for the three days program).

Accommodation for the Participants

Each participant will be provided AC single room accommodation with attached bath in the venue of the program. Spouses are not permitted to stay in the campus. Internet connectivity will be available in the room.

Travel Arrangements

Participants have to make their own travel arrangements to and from the program venue.

Program Conditions

- Program fee is payable before the program
- Nomination may be cancelled up to two days before the program
- Organisation may depute another officer for the program, if the nominated person is unable to attend the program
- Program fee will not be refunded, if the nomination is cancelled within two days of the program. CAFRAL reserves the right to reject the nomination without assigning any reason.
- Nominated official must attend the program for the entire duration.

Nomination Process

Nominations can be sent by filling the form on CAFRAL website - www.cafral.org.in/Risk-Management-for-Leaders