

# Certification Course on Risk Management



## INTRODUCTION

Risk management in banking is a critical and ever-evolving field that lies at the heart of our financial systems. The complexities and challenges that risk professionals face in this dynamic landscape are enormous, and their decisions have far-reaching consequences. This certification course presents a comprehensive and insightful exploration of the multifaceted world of risk management in banking. The course takes you on a journey through the various dimensions of risk in banking. It explores the multitude of risk types faced by financial institutions, including credit, market, liquidity and operational risks.

## OBJECTIVE

The importance of robust risk management practices cannot be overstated. Banking institutions stand as the bedrock of financial stability, and their ability to identify, measure, and mitigate risks is instrumental in safeguarding the integrity of our financial systems. This course serves as a vital resource for anyone seeking to understand the intricacies of risk management in banking.

## VALIDITY OF REGISTRATION

The course remains valid for one year, which encompasses the completion of four examination attempts. This period commences from the date of the examination following enrollment and lasts until the completion of four examination attempts. However, if a candidate skips the examination immediately following enrollment, the validity period will begin from the second examination date after enrollment and continue until the completion of four examination attempts.

## ELIGIBILITY

The course is targeted to employees working in risk management area of BFIs. However, it is open to any person working in banking and financial institutions (BFIs).

## SYLLABUS/COURSE CONTENT

### 1. Overview of Risk Management

Introduction, Types of Risks, Risk Management Process, Setting up a Risk Organization, Asset Liability Management, Some Important Concepts, Capital Adequacy Norms, Enterprise Wide Risk Management (EWRM).

### 2. Credit Risk Management

Risks and Risk Management Systems in Banks, Risk Management in Banks: Background to Basel Committee, Basel Principles, Framework for Risk Management, Credit Risk Management, Risk Rating and Risk Pricing, Portfolio Management, Loan Policy – Prudential Exposure & Limits on Exposure for Individuals, Institutions, Groups and Banks, Estimating Capital Requirement, Credit Risk – Standardized Approach, Advanced Approaches, Credit Rating/Credit Scoring: Rating System Design, Credit Bureaus, Stress Test/Sensitivity Analysis/Scenario Build-Up/ICAAP, A Brief Introduction to Various Financial Products, NRB Guidelines on Exposure Norms.

### 3. Operational Risk Management

Operational Risk Management (ORM), Sound Practices for the Management and Supervision of Operational Risk (SPOR) & the Three Approaches to Operational Risk for Capital Allocation, Organizational Setup and Key Responsibilities for ORM, Policy Requirements and Strategic Approach for ORM, Identification, Assessment and Measurement of Operational Risk, Monitoring of Operational Risk, Controls/Mitigation of Operational Risk, Internal Audit – Independent Evaluation of Operational Risk Management Function, Capital Allocation for Operational Risk, Computation of Capital Charge for Operational Risk.

### 4. Market Risk & Liquidity Risk

Governance Framework, Identification, Market Risk – Measurement, Mitigation, Risk & Regulatory Capital, Liquidity Risk Management, Basel III – Framework on Liquidity Standards.

### 5. Statistical Concepts

Statistical Measures, Probability Theory.

## EXAMINATION RULES

- Candidates will be required to pass the examination within the validity period.
- Candidates will have 2 attempts of examination within the validity period.
- Any failed or absent (after registering for the exam) examination would lead to the reduction in the number of attempts available within the validity period.
- In case a candidate fails in 2 attempts, he/she may attempt up to 2 more attempts with an additional fee but within the validity period. Candidate/s failing in such extra attempts also will have to re-enroll all over again as a fresher.
- Exam dates of each intake shall be announced at least 15 days in advance from the exam date.
- There will be 100 Questions in MCQ format.
- Duration of examination is of 1 hour 45 minutes.
- All examinations will be conducted either online or in physical settings proctored by NBI officials or externally hired proctors. The mode of examination shall be informed to examinees accordingly. In case of online proctored examination, the examinees will have to self-manage all the required equipment and infrastructure to appear in the examination.
- Examination centers will be decided by NBI at various institutes within and outside Kathmandu valley.

## COURSE FEE

### Total investment NPR. 12,000 + VAT

- This fee includes two-time examination fees, study materials, mark sheet and certificate.
- For additional examination attempts, if permissible, additional fee of NPR. 3,000.00 + VAT will be charged.
- NBI may revise the fee structure from time to time.

## PASSING CRITERIA

Candidate/s must score 50% or above to be awarded a certification.

## EXAM SCHEDULE

Exams will be conducted on a quarterly basis.

- February
- May
- August
- November



## National Banking Institute Ltd.

6th Floor, Central Plaza, Narayanchour, Naxal  
Kathmandu, Nepal.

T: 01 4515903/05, 4536001

E: certification@nbi.com.np