



PRESENTS

**RISK MANAGEMENT WITH SPECIAL
EMPHASIS ON INTERNAL CREDIT
RISK RATING MODELING**



Background

Credit risk is one of the main risks in banking and the way a bank manages credit risk is critical to its performance. Identification and assessment of credit risk is therefore the basis for effective risk management. In many countries banks are bound by law to assess the creditworthiness of their debtors at least once a year. Most banks use an internal rating system to comply with these regulations.

The objective of bank ratings is to differentiate the risks inherent in a loan portfolio. Rating systems measure credit risk and distinguish individual debtors, credits and groups of credits by the risk they pose. In addition, they should indicate the individual drivers of default risk highlight changes and enable banks to monitor trends in risk levels.

Date: 13th & 14th December 2018

Time: 9:30 am to 5:00 pm

Venue: NBI Hall, Kathmandu

Program Details

Program Takeaways

- Understanding Importance of Internal Risk Rating Models as foundation for a strong Bank/Financial Institution
- Developing internal risk rating models without proper past history as a beginning



Contents

- Contents of the program shall include overview of Risk Management with concepts of Probability of default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD) along with relevance of Internal credit risk ratings and Risk Weighted Assets (RWA)

How do we build effective internal scoring model for Retail segment as well as corporate segment including SME in the absence of historical data and shall include

- Concept and Process
- Identification of Risk Factors
- Testing of models in real environment and validation

Target Audience

Mid-Level Executives with commercial banks, other financing Institutions involved in funding retail and commercial loan including SMEs

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Faculty Profile



Mr. Narendra Kumar Singhal
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Accomplished banker and risk professional with over 36 years of experience in Credit and risk management. Highly focused with an extensive experience in bank framing policy guidelines, in addition to a comprehensive understanding risk and credit management. Exceptional leader, Well-versed with the techniques used to assess risk factors in a modern business organization with the ability to adapt according to the situational requirements and deliver the desired results.

Conducting specialized training program in Risk Management and Credit Appraisal Techniques with Institutes and Banks including NIBM Pune.

Advisor with Auronova Consulting Solutions, a specialized consulting firm engaged in the business of providing cutting edge consulting services and solutions to banks and other financial institutions in the area of risk management. It also provides analytical services, implementation support and compliance related advisory and solutions. It has served more than 15 clients in multiple countries across the globe over the last 5 years, creating a niche for the firm in a short span of time by providing its clients best in class solutions, while competing with the best in the industry.

Also a qualified and Registered Insolvency Professional (IBBI/IPA-002/IP-N00563/2017-2018/11704)

Professional highlights

- Instrumental in establishing Risk Management structure in Punjab National Bank, which includes Development of risk reporting and governance structures, risk policies, constituting various risk committees and making them functional, developing banks own Credit risk rating models, retail scoring models, early warning signal models, behavioral models etc and defining risk appetite for the bank.
- Implementing Basel accord and enabling bank to adopt advanced approaches for market, credit and operation risk.
- Instrumental in value enhancement of organization through implementation of RAROC framework and capital allocation to different business units.
- Establishing Group risk management structure in PNB and aligning risk management structure at subsidiaries.
- Development of strategic revamping plan for Punjab National Bank in view of the current environment and future challenges.
- Instrumental in establishing "CORDEX" for External loss data collection at industry level.

Career Highlights

- Group Chief Risk officer of PNB for more than 3 years
- Bank's nominee director on the Board of CORDEX
- Member / permanent invitee to the Risk Management committee of PNBIL, Druck PNB, PNB Gilts.
- Handled very large credit and project finance for nearly ten years

Program Itinerary

Day 1

Time	Details
9:30am—10:00 am	Registration and Introduction
10:00am to 11:30am	Session I: Overview of Risk Management with concepts of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) along with relevance of Risk Weighted Assets (RWA)
11:30am to 11:45am	Tea Break (15 minutes)
11:45am to 1:15pm	Session II: Building effective internal scoring model for Retail segment - Concept and Process
1:15 pm—2:00 pm	Lunch Break
2:00pm to 3:30pm	Session III: Building effective internal scoring model for Retail segment - Identification of Risk Factors
3:30pm to 3:45pm	Tea Break (15 minutes)
3:45pm to 5:00pm	Session IV: Building effective internal scoring model for Retail segment - Testing of models in real environment and validation along with concept of Behavioral Models
End of Day 1	

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Program Itinerary

Day 2

Time	Details
9:30am—10:00 am	Registration and Introduction
10:00am to 11:30am	Session I: Understanding difference in Retail Scoring Models and Credit Rating Models and developing internal credit rating models for corporate segment including SME
11:30am to 11:45am	Tea Break (15 minutes)
11:45am to 1:15pm	Session II: Developing internal credit rating models for corporate segment including SME <ul style="list-style-type: none">• Concept and Structure of Modeling
1:15 pm—2:00 pm	Lunch Break
2:00pm to 3:30pm	Session III: Developing internal credit rating models for corporate segment including SME <ul style="list-style-type: none">• Identification process for risk parameters
3:30pm to 3:45pm	Tea Break (15 minutes)
3:45pm to 5:00pm	Session IV: Demonstration of Actual Models built based on above concept and outcome so far
5:00pm onwards	Discussion and Closing Remarks

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