

<p>Goal</p> <p>The goal of this session is to understand how changes to market risk regulation under the BIS Fundamental Review of the Trading Book (FRTB) are impacting the trading, liquidity and funding strategies of banks and their market risk appetite.</p> <p>Specific Objectives</p> <ul style="list-style-type: none"> Recap the key changes to market risk capital requirements to be implemented under FRTB Assess the challenges for implementing FRTB Understand the progress and likely implementation of FRTB in different jurisdictions Identify the impact on different clients and business opportunities 	<p>High level Course Outline</p> <table border="1"> <tr> <td data-bbox="550 342 826 878"> <p>FRTB Motivation and Regulation</p> </td> <td data-bbox="826 342 1854 878"> <ul style="list-style-type: none"> Structured approach: Motivation, regulation, implementation, impact Motivation: <ul style="list-style-type: none"> Recap of key market risks faced by banks Shortcomings of existing Basel framework for market risk: Standardised Approach, VaR, Stressed VaR, Incremental Risk Charge (IRC) Motivation for change: reduce capital arbitrage, rebalancing between standardised and models approaches, ensure tail and liquidity risk captured Regulation: key changes introduced by FRTB: <ul style="list-style-type: none"> Elimination of trading book/ banking book arbitrage: revised trading book boundary, replacement of IRC Granular approval of models approach: model/ desk level Expected Shortfall to replace VaR for models approaches Comprehensive treatment of asset liquidity in models approach New, much more sophisticated Standardised Approach Rebalancing of hedging and diversification benefits </td> </tr> <tr> <td data-bbox="550 878 826 1156"> <p>Implementation</p> </td> <td data-bbox="826 878 1854 1156"> <ul style="list-style-type: none"> Implementing liquidity horizons Defining trading desks and P&L attribution test Treatment of non-modellable risks Back-testing with expected shortfall Market data gathering and classification issues Timetable and amendments made and likely in different jurisdictions: <ul style="list-style-type: none"> Draft CRD IV in the European Union Status of implementation in the USA and Asia </td> </tr> <tr> <td data-bbox="550 1156 826 1342"> <p>Impacts and opportunities</p> </td> <td data-bbox="826 1156 1854 1342"> <ul style="list-style-type: none"> Impact on RWAs: BIS, EBA and market assessments Impact on markets: potential liquidity issues, role of banks in regulated markets Future of modelling approaches Impact on less sophisticated institutions: challenges of the new standardised approach </td> </tr> </table>	<p>FRTB Motivation and Regulation</p>	<ul style="list-style-type: none"> Structured approach: Motivation, regulation, implementation, impact Motivation: <ul style="list-style-type: none"> Recap of key market risks faced by banks Shortcomings of existing Basel framework for market risk: Standardised Approach, VaR, Stressed VaR, Incremental Risk Charge (IRC) Motivation for change: reduce capital arbitrage, rebalancing between standardised and models approaches, ensure tail and liquidity risk captured Regulation: key changes introduced by FRTB: <ul style="list-style-type: none"> Elimination of trading book/ banking book arbitrage: revised trading book boundary, replacement of IRC Granular approval of models approach: model/ desk level Expected Shortfall to replace VaR for models approaches Comprehensive treatment of asset liquidity in models approach New, much more sophisticated Standardised Approach Rebalancing of hedging and diversification benefits 	<p>Implementation</p>	<ul style="list-style-type: none"> Implementing liquidity horizons Defining trading desks and P&L attribution test Treatment of non-modellable risks Back-testing with expected shortfall Market data gathering and classification issues Timetable and amendments made and likely in different jurisdictions: <ul style="list-style-type: none"> Draft CRD IV in the European Union Status of implementation in the USA and Asia 	<p>Impacts and opportunities</p>	<ul style="list-style-type: none"> Impact on RWAs: BIS, EBA and market assessments Impact on markets: potential liquidity issues, role of banks in regulated markets Future of modelling approaches Impact on less sophisticated institutions: challenges of the new standardised approach
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TRAINING SOLUTIONS

Financial markets, risks and regulations are evolving so fast that professionals need both flexible and structured learning solutions to build technical knowledge and analytic skills.

Risk, Regulatory and Analytic Training

Our training solutions equip finance professionals with the knowledge and skills to stay ahead of the competition.

RISK ANALYSIS & MANAGEMENT	ANALYTIC SKILLS	REGULATORY CHANGE
<p><i>Building capability in approving and managing risk exposures</i></p>	<p><i>Developing a better understanding of client need to recommend appropriate solutions</i></p>	<p><i>Impact of regulatory change on an institution's business, competitive and risk profile</i></p>
<p>Risk management</p> <ul style="list-style-type: none"> - Risk management in banks - Risk management in insurers - Risk management in funds - Risk and regulatory drivers of performance - Capital management - Credit portfolio management - Derivatives risk - Collateral and liquidity management - Market risk - Liquidity and funding risk - Operational risk - Insurance risk - Securitisation 	<p>Sector and client analysis</p> <ul style="list-style-type: none"> - Bank risk analysis - Insurer risk analysis - Corporate risk analysis - Central clearing parties - Funds & asset managers - Hedge fund credit analysis - Sovereign / public sector risk analysis <p>Funding and capital solutions</p> <ul style="list-style-type: none"> - Leveraged finance - Valuations 	<p>Bank response to regulatory change</p> <ul style="list-style-type: none"> - Risk and regulatory drivers of performance - RWA Regulation & Management <p>Regulatory change and impact</p> <ul style="list-style-type: none"> - Basel III / Basel IV changes - EMIR – European Markets Infrastructure - MIFID II – Markets in Financial Instruments - FRTB – Fundamental Review of Trading Book - BRRD – Banking Recovery and Resolution - Stress testing - Liquidity management for financial institutions - IFRS 9 – Expected loss, hedging & securities - Expected Loss