



## Global Banking Supervision - Online

Banks serve unique economic functions and those functions are directly related to their inherent vulnerability. Weaknesses in the banking system of a country, whether developing or developed, can threaten financial stability both within that country and internationally. In today's financial environment, dominated by a dynamic, aggressive financial service industry, banks as major players operate with greater freedom. Banks are exposed to greater financial risks than before due to the appearance of more complex and dynamic transactions that have substantially increased uncertainties. Advances in IT technology, capital movements and geographical extension of banking business have become the new engines of global integration. What seems to be important for banking systems is not the size, but the level of compliance with the internationally accepted rules and standards, and their functionality. This is an online self study course that can be globally accessed from any internet enabled computer.

### Available Session(s):

Available Today

Online

USD \$200

Online

Instructor(s):[]

### Targeted Audience

Credit and risk officers, business analysts working on Basel II, compliance officers, finance and technology officers.

### Advance Preparation

No advance preparation required.

### Prerequisites

General knowledge of banking products, preferably to include on and off balance sheet products and derivatives.

### Learning Objectives

Students will be able to:

- Identify and understand risks inherent in Banking
- Develop a framework to mitigate risks in accordance with the guidelines issued by the Basel

**Level:** Intermediate

**CPE Credits:** 30

**Instructional Method:** Self-Study

## **Detailed Outline**

### **Core Principles and Methodology**

- The requirements to be complied with as under the Basel Core Principles by the supervisory agencies, the legal system, licensing authorities and the home and host country supervisors

### **Supervisory Self-Assessment**

- The framework to conduct self-assessments of supervisory systems by the supervisors
- The essential elements of a statement of cooperation between banking supervisors

### **Corporate Governance in Banks**

- The strategies and techniques for a sound banking corporate governance
- The role of public disclosure in promoting the safety and soundness in banking activities
- The need for an environment supportive of sound banking corporate governance

### **Internal Control Systems**

- The need for internal control systems in banks
- The Basel Committee principles for evaluating internal control systems

### **Internal Audit in Banks**

- The need for internal control systems in banks
- The Basel Committee principles for evaluating internal control systems

### **Supervisors and External Auditors**

- The multifaceted roles of the bank supervisors and external auditors
- Governance and other aspects of banking supervision

### **Operational Risk Management**

- The framework for evaluating operational risk management policies and practices
- The role of supervisors and the utility of disclosures

### **Liquidity management**

- The need for developing a structure to manage liquidity
- Internal controls, contingency planning and foreign currency liquidity management
- The means to measure and monitor net funding requirements

### **Credit Risk Management**

- The credit risk environment and the credit granting process
- Credit administration, measurement and monitoring
- Controls over credit risk

### **Management of Settlement Risk in Foreign Exchange**

- The importance of establishing and implementing proper settlement risk management policies
- The information about FX settlement and management that should be taken into account when assessing a bank's policies and procedures

### **Trading and Derivatives Activities**

- The information required to be disclosed to enhance transparency of an institution's trading and derivatives activities
- The qualitative and quantitative disclosures to be made on an institution's trading and derivatives activities

### **Risk Management Principles for e-banking**

- The risk management challenges posed by e-banking
- The fourteen risk management principles concerning e-banking
- Various aspects of management and supervision of cross-border e-banking activities

### **Loan Accounting and Disclosure**

- Loan accounting and disclosure policies and practices
- Recognition and measurement of loans, establishment of loan loss allowances, credit risk disclosure and related aspects
- The framework for supervisory evaluation of bank's policies and practices

### **Highly Leveraged Institutions**

- The need for banks to be cautious while dealing with Highly Leveraged Institutions
- The recommendations made by the Basel Committee concerning these institutions
- Specific actions taken by banks to implement these recommendations

### **Dealing with Weak Banks**

- The principles and pre-conditions of dealing with weak banks and the causes for bank weaknesses
- Channels of information on weaknesses of banks
- Various corrective actions available for dealing with the bank weaknesses
- Methods for resolution and exit of banks

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