

Basel II Advisory and Technology



Risk Pro
Connect with Risk Professionals

Riskpro, India

Who is Riskpro... Why us?

ABOUT US

- ❑ Riskpro is an organisation of member firms around India devoted to client service excellence. Member firms offer wide range of services in the field of risk management.
- ❑ Currently it has offices in three major cities Mumbai, Delhi and Bangalore and alliances in other cities.
- ❑ Managed by experienced professionals with experiences spanning various industries.

MISSION

- ❑ Provide integrated risk management consulting services to mid-large sized corporate /financial institutions in India
- ❑ Be the preferred service provider for complete Governance, Risk and Compliance (GRC) solutions.

VALUE PROPOSITION

- ❑ You get quality advisory, normally delivered by large consulting firms, at fee levels charged by independent & small firms
- ❑ High quality deliverables
- ❑ Multi-skilled & multi-disciplined organisation.
- ❑ Timely completion of any task
- ❑ Affordable alternative to large firms

DIFFERENTIATORS

- ❑ Risk Management is our main focus
- ❑ Over 200 years of cumulative experience
- ❑ Hybrid Delivery model
- ❑ Ability to take on large and complex projects due to delivery capabilities
- ❑ **We Hold hands, not shake hands.**

Risk Management Advisory Services

Basel II/III Advisory

- Market Risk
- Credit Risk
- Operational Risk
- ICAAP

Corporate Risks

- Enterprise Risk Assessment
- Fraud Risk
- Risk based Internal Audit
- Operations Risk
- Forensic services

Information Security

- IS Audit
- Information Security
- IT Assurance
- IT Governance

Operational Risk

- Process reviews
- Policy/ Process Review
- Process Improvement
- Compliance Risk

Governance

- Corporate Governance
- Business Strategic risk
- Fraud Risk
- Forensic Accounting

Other Risks

- Business/Strategic Risk
- Reputation Risk
- Outsourcing Risk
- Contractual Risk

Training

- Banking – E Learning
- Corporate Training
- Regular Risk Management Training
- Online Training material
- Workshops / Events

Recruitment

- Virtual Risk Managers
- Full Time Risk Professionals
- Part time Risk Professionals
- Risk Managers on call – free

Risk Management Framework - Basel II

Governance

Risk Vision / Strategy Formulation

Developing ownership/ accountability for Risk Management

Driving Implementation of Risk Management processes

Review and reinforcement

Risk Tolerance / Appetite

Estimating Risk Capacity



Defining Risk Appetite



Limit Structure

Risk Management Policies / Processes

Risk Policies Procedures

- Roles and responsibilities
- Risk Assessment Methodology
- Risk Monitoring & other processes

Risk Identification / Assessment

- Identification of sources of risk
- Assessment
- Decisions on risk assumption

Risk Measurement

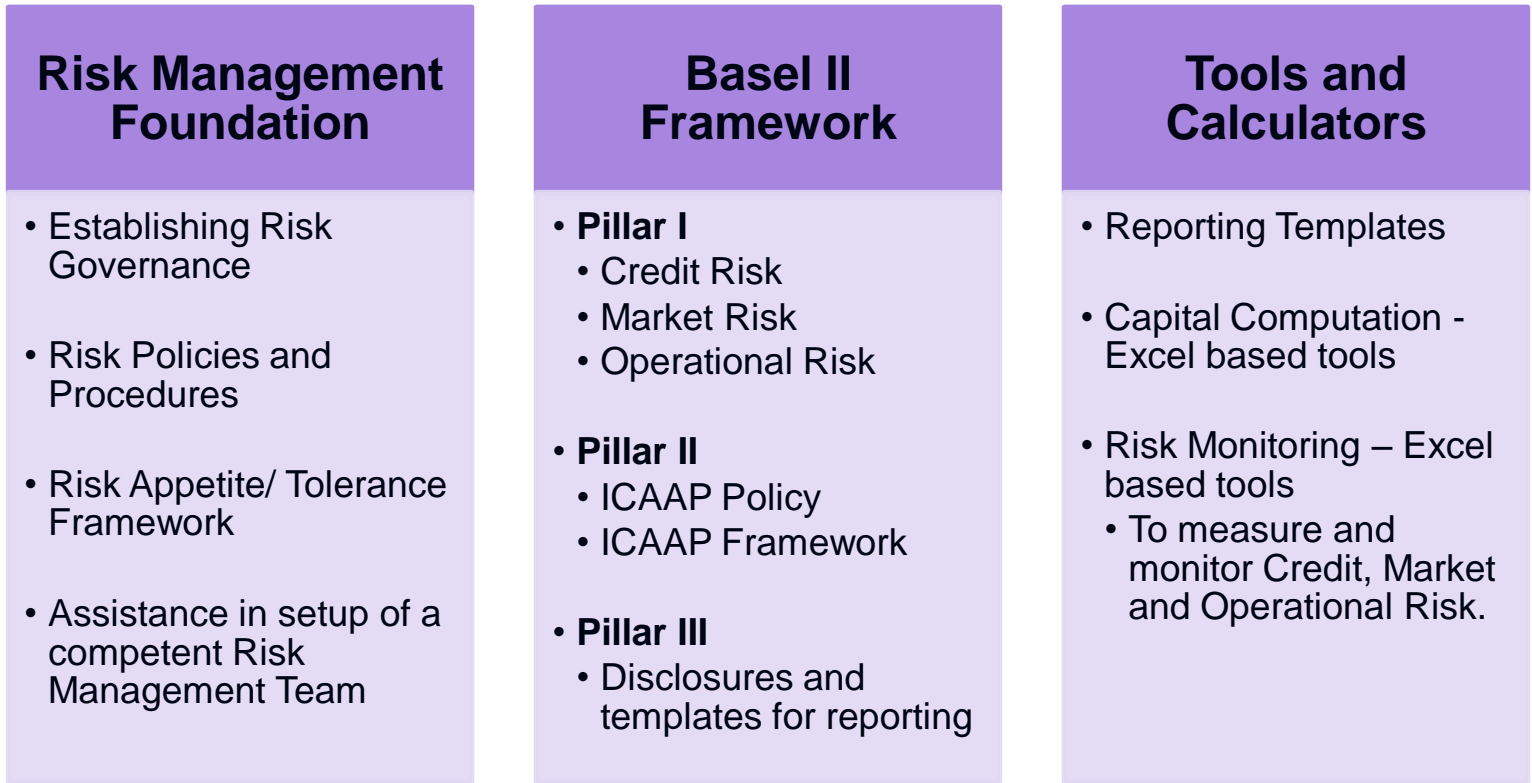
- Risk quantification
- Aggregation
- Capital Computation

Risk Monitoring, Reporting & Control

- Regular / exception Reporting
- Recommendations on further courses of action

Basel II – Implementation Approach & Methodology

Basel II Project Management



Basel II Implementation and USE Test

Reporting, Monitoring and Control

Basel II Implementation – High Level Implementation Roadmap

Credit Risk

- Diagnostic study of current procedures & operations in place at the bank
- Preparation of guidelines for management of credit risk
- Develop framework to estimate Credit Risk Capital
- Capital Computation as per Basel II
- Designing Investment Policy Framework
- ICAAP assessment methodology

Market Risk

- Gap Analysis of Market Risk Management practices
- Liquidity Risk Management
- Interest Rate Risk Management
- Equity Risk Management / FX Risk Management
- Commodities Related Risk Management
- Market Risk Capital Measurement - “VaR” based risk measurements
- Market Risk Limit Management
- Market Risk Reporting Requirements

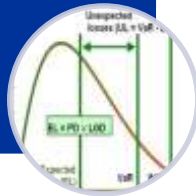
Operational Risk

- Development of Risk & Control Self-Assessment (RCSA) Framework
- Development of Loss Event (LE) Framework
- Development of Key Risk Indicators (KRI) framework
- Operational Risk Appetite /Tolerance framework
- Operational Risk Capital Computation – BIA/TSA/AMA

Operational Risk Management – Our Offerings

- Basel II Framework for ORM
- TSA / AMA Framework and Documentation including Policy and Process Notes
- Stress testing and Scenario Analysis
- ICAAP Policy Enhancements
- Recruitment of Basel II experts

Basel II Advisory – Operational Risk



- RCSA Workshops
- Risk Register for Banking and Non Banking Entities
- KRI Framework & Library
- Risk Analytics and Risk Reporting
- Review and enhancement of Loss and Event Reporting framework
- Outsourcing Risk Management
- People Risk Tool - PRAY

Risk Identification & Assessment



- Risk Management Training
- AMA Training
- Modeling AMA using Excel
- Fraud Risk Training
- KYC/AML Training
- Free Webinars on Risk management
- Corporate training in ORM
- ORM / RCSA Overview
- Scenario Analysis Workshop

Risk Training & Development



	Risk Objective	Risk Analytics	
RCSA Analytics	Risk Assessment	<ul style="list-style-type: none"> Heat Maps Risks dashboards Top 10/20 risks 	<ul style="list-style-type: none"> Outstanding RCSA Control Gaps Compliance failures
KRI Analytics	Risk Monitoring	<ul style="list-style-type: none"> KRI Breaches KRI Dashboard Historical KRI Graphs 	<ul style="list-style-type: none"> Issues and Action Plan
Loss Event Analytics	Risk Tracking	<ul style="list-style-type: none"> Loss Analysis 8X7 matrix Loss Dashboard 	<ul style="list-style-type: none"> Insurance Adequacy Near Miss Analytics Process improvements
Scenario Analytics	Risk Predictions	<ul style="list-style-type: none"> Scenario Assessment results Heat Maps 	<ul style="list-style-type: none"> Sensitivities to VAR What if capabilities
Ops VAR Analytics	Risk Measurement	<ul style="list-style-type: none"> 56 Ops VAR points Daily VAR reporting Basel II Disclosures 	<ul style="list-style-type: none"> Dynamic Dashboards Benefits of Insurance/BCIEF adj.

Aarsh Management - Our Basel II Partners

- ▲ Aarsh Management Solutions is a dedicated Risk Management & Compliance Solutions provider for emerging economies. It is ably backed by the R&D support of IIT Kanpur, which is an equity partner in this initiative. IIT Kanpur is considered to be among the top few research institutions of the world.
- ▲ Aarsh's models and tools are unprecedented in their rigor and sophistication. Most of them have built-in learning mechanisms and hence require minimal maintenance.
- ▲ Aarsh has a team comprising world-renowned professors and professionals with thorough experience and expertise in various aspects of a successful risk management system design and implementation. The Aarsh team includes leading opinion makers in their respective domains of expertise.
- ▲ Aarsh offers a comprehensive suite of risk management & compliance products and solutions. Two of them are shown below as examples.

CREDITEVAL – Credit Risk Management	Crediteval not only accurately predicts the credit-worthiness of your clients in real-time, but also help manage your business decisions in an integrated manner. Not only is Crediteval compliant with latest Basel standards, it goes a step ahead and designs a customized Credit Risk Management strategy for you that stands with you for years to come.
MARKETEVAL – Market Risk Management	Marketeval is a one-stop solution for all your Market Risk Management needs. Be it calculation of VaR through a variety of customizable methods, or simulations, or liquidity analyses, or stress-testing or calculation of Risk Capital or generating insightful reports, Marketeval does everything with ease and flexibility within few clicks.

Basel II Engagements

- ▲ Riskpro, along with its consortium member firms has a track record of assisting the following Banks in Implementation of various elements of Basel II.
- ▲ Aarsh has worked with banks in providing consultancy, training & handholding to implement comprehensive Basel II risk management system.

Client	Role played
<ul style="list-style-type: none">▪ Skye Bank, Nigeria▪ Oceanic Bank, Nigeria▪ Commercial Bank of Dubai, Dubai▪ ING Vysya Bank- India	Riskpro has provided consulting and advisory with respect to Operational Risk Management, Key Risk Indicator (KRI) Consulting and related products and training.
<ul style="list-style-type: none">▪ EXIM Bank, Tanzania▪ Axis Bank, India▪ TAIB Bank, Kazakh▪ Bank of Ceylon, Sri Lanka▪ Hatton National Bank▪ Nations Trust Bank	Aarsh has worked with banks in providing consultancy, training & handholding to implement comprehensive Basel II risk management system.

Assignment Name

Training & Advisory on Operational Risk Management System

Name of the Client

Bank of Ceylon

Project Requirement

The scope of work for the proposed training and advisory assignment is to assist the bank in developing state of the art Basel II operational risk management framework

Details of Advisory Services

- Trained them in fundamental and advanced concepts on using Analytics to understand and manage operational risk and ICAAP.
- Project team developed customized templates in excel for the bank for input analysis & review of operational risk management.
- The team also shared Gap analysis report after studying the current risk management program including policies, processes, IT systems and data management for operational risk management in the project

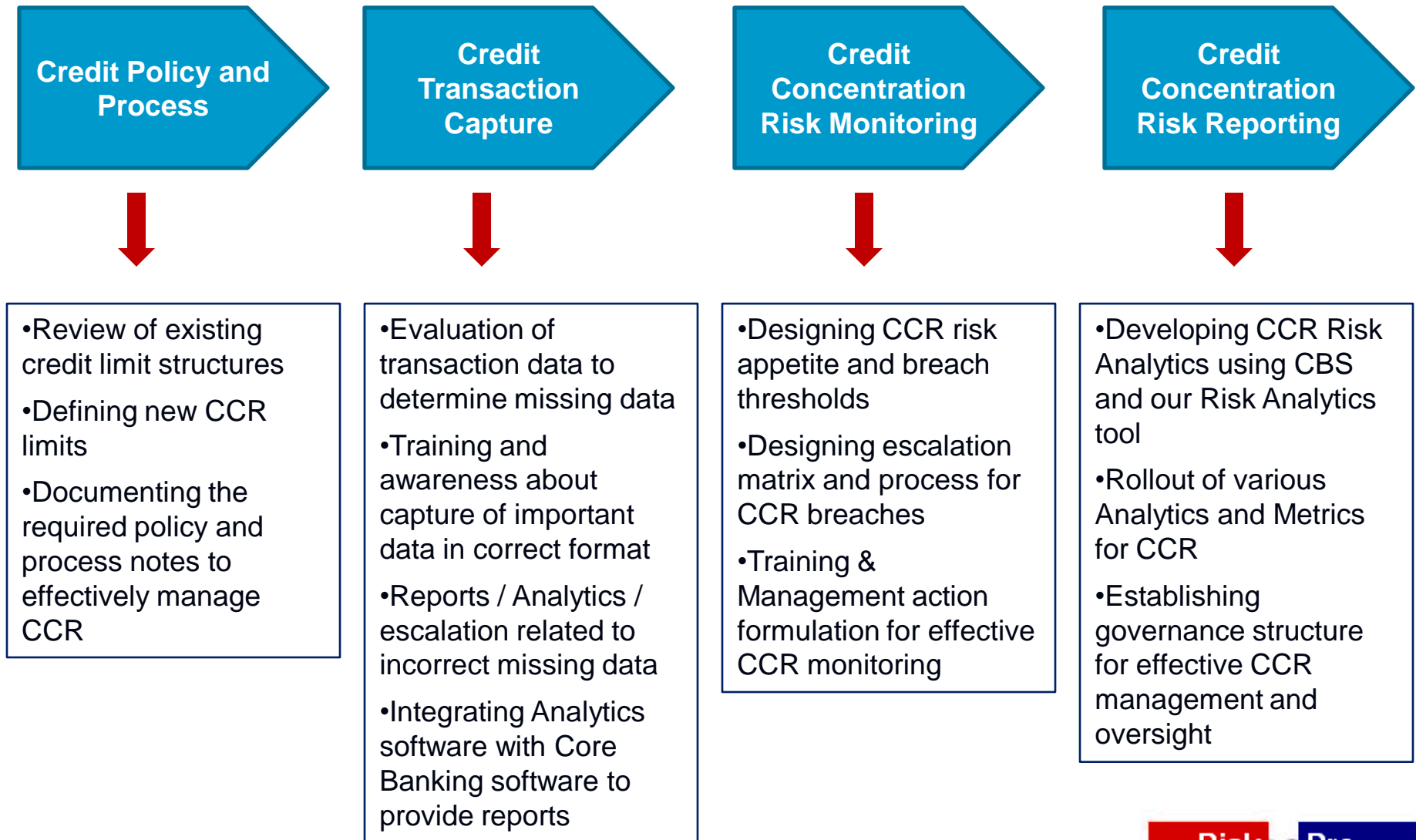
Basel III – Complete Training on Basel III Enhancements

Session Topic	Key Learning	Duration
Recap of Basel II and evolution of Basel III	<ul style="list-style-type: none"> ▪ A quick recap of Basel II ▪ Evolution to Basel III and key enhancements 	2 Hours
Capital and Leverage Ratio	<ul style="list-style-type: none"> ▪ Raising quality of the capital base ▪ Complete understanding of eligible capital under Basel III ▪ Exposure measurement and computation process ▪ Calibration of the leverage ratio 	2 Hours
Harmonizing liquidity standards	<ul style="list-style-type: none"> ▪ Understanding of LCR, NSFR and liq. management framework ▪ Net stable funding ratio (NSFR): measurement methodology ▪ Impact of harmonizing liquidity standards 	2 Hours
Countering pro-cyclicality	<ul style="list-style-type: none"> ▪ Mitigating pro-cyclicality & the need for counter-cyclical buffer 	1 Hour
Enhancing risk coverage	<ul style="list-style-type: none"> ▪ Understanding enhanced securitization & CCR framework ▪ Forward looking provisioning ▪ Building capital buffers through capital conservation 	2 Hours
Total Training		9 Hours

Target Audience: Risk Management, Basel II Teams, Internal Audit / Finance Dept. Even all new hires at lower levels can benefit from the awareness on the important Basel III developments.

Basel III Training Highlights

- ▲ One of the most complex regulatory reforms for Banking Industry
- ▲ Basel III timelines extend for almost another decade. So, if you don't know Basel III, you will be out of conversation for next many years
- ▲ Live web based training provided by Basel experts
 - Discussion of key requirements, Basel norms
 - Examples calculations
 - Best practices and global views / challenges
 - Guidance on further reading, Basel documents / files
- ▲ Opportunity to clarify queries and specific questions with experts
- ▲ Significant impact on Banks and the Capital Markets
- ▲ Prior knowledge of basic Basel II essential some training portions can be complex





TrainingCentral



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Our team members have worked at world class Companies

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Manoj Jain

- ▲ **Co-Founder - Riskpro**
- ▲ CA, CPA, MBA-Finance (USA), FRM (GARP)
- ▲ Over 10 years international experience – 6 years in Bahrain and 4 years USA
- ▲ 15 years exp in risk consulting and internal audits
- ▲ Sox Compliance project for Fannie Mae, USA (\$900+ Billion Mortgage Company)
- ▲ Specialization in Operational Risk, Basel II, Sox and Control design
- ▲ Led medium to large engagement teams

Rahul Bhan

- ▲ **Co- Founder - Riskpro**
- ▲ CA (India), MBA (Netherlands), CIA (USA)
- ▲ Over 15 years of extensive internal and external audit experience in India and abroad.
- ▲ Worked with KPMG United Arab Emirates, PKF South Africa, Ernst and Young Kuwait, Deloitte Netherlands and KPMG India.
- ▲ Worked with clients in a wide variety of industries and countries including trading, retail and consumer goods, NGO, manufacturing and banking and finance. Major clients include banks, investment companies, manufacturing organizations, aviation etc.

Casper Abraham

- ▲ **Co-Founder - Riskpro**
- ▲ PGD (Electrical & Electronics & Computer Programming)
- ▲ 30 years of experience in Information & Communications Technology (ICT) Solutions for Retail, Garments, Manufacturing, Services Industries.
- ▲ Has created Companies, Divisions, Products, Brands, Teams & Markets.
- ▲ Consulting in Business, Technology, Marketing & Sales & Strategic Planning.
- ▲ Advisory, Training, Workshops & Implementation in Systems Thinking, Systems Modeling & Balanced Scorecard
- ▲ Worked with TIFR, Mahindra, Ambience, Communico-Graphique & Ionidea Inc, USA,

Shriram Gokte

- ▲ **Co-Founder - Riskpro**
- ▲ B Tech MBA
- ▲ 22 years of audit, risk management, information security & Compliance experience
- ▲ Most recent employment with Paternoster, a UK Insurance company as Director Risk & Compliance
- ▲ Worked for Principal Financial Group at their Des Moines USA HO and then Birla Sun Life Insurance as CRO
- ▲ Strong operational process, risks, info sec and internal controls experience
- ▲ Has taken 3 companies through ISO 27001 certifications.

Sanjeev Newar

- ▲ **Partner - Member Firm**
- ▲ Sanjeev is an alumnus of IIM Calcutta and IIT Guwahati with a decade of experience. He is the founder of Aarsh Management Solutions.
- ▲ He has extensively worked Risk Management implementation for leading firms globally.
- ▲ He is an invited faculty to premier institutions of India in topics of finance and risk management. He has also been writing in leading publications on finance and economics.

Amitabha Banerjee

- ▲ **Basel II / Banking Adviser**
- ▲ Amitabha is an illustrious banker with 35 years of experience with most reputed banks of the world.
- ▲ He is currently an acclaimed trainer in areas of risk management and corporate banking post retirement.
- ▲ He is a gold medalist from IIT Kharagpur and an MBA from University of Rochester.
- ▲ He is also a Certified Associate of Institute of Bankers. His past experiences include extensive Banking roles, including Chief Risk Officer, at UAE Banks

RESUMES - PARTNERSHIPS

Andrew Hiles

- ▲ **Specialist Risk Consultant – Business Continuity**
- ▲ Founder and 15-year Chairman of Survive, the first international user group for Business Continuity professionals
- ▲ Founding director and first Fellow of the Business Continuity Institute
- ▲ Over 25 years international consulting expertise in Risk, Crisis, Emergency, Incident, and Business Continuity and ICT Disaster Recovery Management
- ▲ Multi-sector experience including Banking, Insurance, Finance, Oil, Gas, Energy, Manufacturing, Retail, Hi-Tech & Telecom
- ▲ Western Press Award for services to business, 1994; BCI/CIR nomination for lifetime achievement in BC, 1999, London; inducted into BC Hall of Fame by CPM magazine, 2004, Washington DC.

Chris E. Mandel

- ▲ **Specialist Risk Consultant – Enterprise Risk Management**
- ▲ Highly skilled risk and insurance professional with 25 years of experience designing, developing and implementing large, global corporate risk management programs for Fortune 500 firms.
- ▲ Principal Consultant and Founder - Excellence in Risk Management, LLC. (Texas, USA)
- ▲ Past experiences include USAA, PepsiCo, American National Red Cross ,Verizon

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THANKS