

aractech

Global Learning for Operational Leaders



ACCOUNTING AND FINANCE

Basel III, Risk Assessment and Stress Testing

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Course content

Why Attend

This course is designed as an intermediate level in-depth look at the key provisions of the Basel III regulatory framework, the ongoing risk assessment practice within banks, and the vital role of stress testing.

Upon completion, participants will have a comprehensive understanding of internal risk assessment as required under Basel III and especially with reference to the ICAAP process.

Course Methodology

- This course will cover a wide range of learning methods including explanatory slides, case studies, and detailed examination of Excel models in an interactive workshop style environment.

Course Objectives

- Develop a deep understanding of the key elements within the Basel III regulatory framework
- Understand the key metrics and procedures for assessing credit risk, market risk and operational risk
- Understand the vital importance of stress testing as the cornerstone of risk management
- Apply analytical skills for the identification of concentration of credit risk, concentration of funding risk, and systemic liquidity risk
- Develop and formulate procedures and policies with respect to the best practice implementation of stress modelling and associated risk management protocols

Target Audience

- This course is suitable for all those working in the banking industry, as well as wealth managers, auditors, and treasury and product control professionals.
- Target Competencies
- Regulation compliance
- Scenario generation

Course outline

Detailed course outline

Module-by-module outline for Basel III, Risk Assessment and Stress Testing.

Module 1 - Understanding The Role Of Regulatory Bank Capital

- Overview of financial statements of banks – accounting principles
- Composition of the balance sheet – types of assets and liabilities
- Understanding the key elements of the P&L - statement of income
- Review of the distinction between the banking book and the trading book
- The equity capital of financial institutions
- Illustration of the contrast between liquidity and solvency issues

Module 2 - Requirements for Qualifying Capital under Basel III

- Definitions of Regulatory Capital – Core Tier 1, Tier 2
- Core Tier 1 – equity capital and disclosed reserves
- Supplementary Capital – Tier 2 – subject to discretion of supervisor/central bank
- Hybrid capital – Contingent Capital Instruments (CoCo's)
- Subordinated debt - bail-in instruments
- Short-term subordinated debt covering market risk (Tier 3)

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Module 3 - Basel Treatment of Market Risk

- Value at Risk (VaR) – rationale, theory and methods of calculation
- Limitations of parametric VaR
- What about tail risk – does VaR capture this adequately?
- Expected Shortfall and FRTB
- Risk weightings for market risk
- Standardized approach

Module 4 - Operational Risk under Basel

- Definition of Operational Risk introduced into the Basel II framework
- The life cycle of Operational Risk

Module 5 - Basel measurement approaches to be phased out by 2023

- Basic Indicator
- Standard Approach
- Advanced Measurement Approaches
- Revised Standardized Approach replaces previous three methods
- Risk weightings under each approach
- Rogue trading – severity of losses

Seminar dates

Available seminar dates

Live dates and pricing for Basel III, Risk Assessment and Stress Testing generated from the course details page.

Date	Location	Format	Fee
18 - 22 May 2026	Munich	Classroom	€2,415
22 - 26 June 2026	Amsterdam	Classroom	€2,975
13 - 17 July 2026	London	Classroom	€2,940
17 - 21 August 2026	Istanbul	Classroom	€1,995
21 - 25 September 2026	Vienna	Classroom	€2,975
19 - 23 October 2026	Barcelona	Classroom	€2,695
2 - 6 November 2026	Paris	Classroom	€3,150

Live online option

Online delivery is available at €1,250.