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## Angel Oak University Executive Education Series

### Risk Management and Banking

#### Course Description

This series of modules is intended to acquaint bank executives and boards with best practices in risk management drawn from lessons learned from the financial crisis as well as from leading practitioners in this field. The discipline of risk management is still evolving and while significant focus has been given in recent years to credit risk and asset-liability management, other important areas of risk management are emerging such as operational risk, technology risk and reputational risk, among others. The importance of managing liquidity and counterparty risk was learned in the midst of crisis unfortunately by many institutions no longer in business. Understanding effective risk management requires a strong culture allowing prudent risk-taking, a balance between art and science in assessing risks, and an integrated view across the organization of the types of risks taken form the foundation of this series.

#### Course Outline

- **Risk Governance**
  - Bank Corporate Governance Structure
  - Strategic Direction and Objectives
  - Board and Key Committees
  - Executive Committee, Members and Responsibilities
  
- **Credit Risk**
  - **Commercial Credit Risk Management**
    - Commercial Credit Policy Considerations
    - Ratings-Based Credit Risk Methodology
  - **Counterparty Risk Assessment**
    - Counterparty Credit Policy
    - Measuring Counterparty Risk
  - **Retail Consumer Credit Risk Management**
    - Credit Risk Measurement including credit VaR analytics
    - Developing Credit and Collateral Policy Considerations and Framework
    - Risk Measurement Techniques
  - **Dynamic Credit Portfolio Risk Management**
    - How to Develop Leading Indicators for Credit Portfolio Management
    - Loan Loss Reserving Process and Policy
    - Asset Disposition Strategy
    - Credit Enhancement Strategies
    - Risk-based Pricing Strategy
    - Collections and Default Management



- **Market Risk Management**
  - **Interest Rate Risk Management**
    - Net Interest Income Analysis
    - Interest Rate Risk Analysis - Duration gap models? Convexity?
    - NII and IRR Policies
  - **Liquidity Risk Management**
    - Liquidity Risk Defined
    - Liquidity Risk Measurement
    - Liability Management
    - Liquidity and Liability Management Policy
    - Basel III liquidity ratio requirements
  - **Market Risk Management**
    - Conceptual Framework for VaR
    - Estimating Bank VaR, and Management to Risk Tolerances
- **Operational Risk Management**
  - **Operational Risk Defined**
    - Approaches to Measuring Operational Risk
    - Loss Event Data – Internal and External
  - **Technology Risk Management**
    - Technology Risk Defined and Business Implications
    - Data Warehousing Best Practices
    - Model Risk and Validation Procedures
    - Management Reporting Best Practices
- **Reputational and Legal Risk Management**
  - Reputational Risk Defined and Impacts on the Bank
  - Risk Mitigation of Reputational Risks
- **Regulatory Risk Management**
  - Regulatory Risk Defined
  - Regulatory Considerations
  - Managing Regulatory Risk
- **Developing an ERM-wide Solution for the Bank**
  - Building an Integrated Risk Management Infrastructure
  - Aggregating Risk Views Across the Enterprise
  - Lessons Learned from the Book
- **Risk-adjusted Performance and Capital Management**
  - Risk Performance Measurement Defined
  - Regulatory Capital and Economic Capital assessment