

# Risk Management Academy



## Course objectives

The main objective of this Academy is to offer participants a comprehensive perspective on the role of the risk management function (RMF), considering applicable regulatory requirements and key supervisory expectations, particularly in terms of (i) internal governance (EBA/GL/2021/05 and Banco de Portugal Notice N.º 3/2020) requirements, (ii) general approaches to banking risk management, and (iii) a set of methodologies, techniques, and processes to support the management and measurement of financial and non-financial risk categories.

During the course, all relevant topics will be intensively covered and, when considered appropriate, explored in personalized practical cases. The main concepts, principles, processes and risk management tools will be adequately covered, allowing participants to acquire fundamental knowledge for carrying out functions related to risk management and control.

**Duration:**  
42 hours (6 days)

**Location:**  
Lisbon

**Dates:**  
26 & 27 February '25  
26 & 27 March '25  
09 & 10 April '25

**Schedule:**  
09h30 – 17h30



## Who should attend?

The course is suitable for a broader audience who wish to gain a better understanding of risk management processes within a bank and how banks are regulated.

It assumes a basic understanding of accounting, financial products and banking functions, being particularly relevant as a new joiners foundational training.

## Methodology

With a very practical methodology, this program will provide contact with different PwC professionals with extensive experience, moments of networking and the presence of external guest speakers who will share their experiences and thoughts.

# Risk Management Academy

## Part I: 26 & 27 February'25

### Day 1: Introduction to the RMF and core strategic risk dimensions (7h)

#### Organizational framework (1h)

- Positioning in the context of the three lines of defence
- Mandate, role in risk strategy and decision, as well as core responsibilities
- Independence of the RFM function (positioning, remuneration, expertise, and reporting lines)
- Positioning of the RMF within a banking group
- Interaction with Senior management, Management body and delegated Committees as well as with the other risk internal control functions
- The role of the Head of RMF

#### Risk culture and conduct (30m)

- Key features and dimensions under analysis
- Regular assessment process

#### Risk management cycle (30m)

- Strategic risk management processes
- Risk taxonomy
- Identification and assessment of material risks
- Risk appetite statement, key metrics and limits
- Risk policies structure

#### Overview of the three Basel Pillars (30m)

- Minimum capital requirements for Pillar 1 risks
- Supervisory Review Process
- Market discipline

#### The SREP (1h)

- Background and purpose
- Four dimensions under assessment
- Risk assessment process
- 2023 key SREP results

#### ICAAP (2h)

- Regulatory framework
- ICAAP purpose, building blocks and the normative Vs. economic perspectives
- ECB Report on banks' ICAAP practices
- Risk quantification of material risks
- Internal capital definition
- Stress testing
- Capital contingency plan
- Main challenges and trends

#### Recovery plan (1h)

- Regulatory framework
- Purpose, principles, scope of application and report structure
- Internal governance framework
- Recovery plan indicators
- Recovery measures: impact analysis, viability, and implementation calendar
- Communication plan
- Implementation of a recovery plan.

### Day 2: Solvency, large exposures, leverage and MREL regimes (7h)

#### Capital requirements under Basel IV (3h30)

- Credit risk: SA and IRB
- Counterparty credit risk
- Market risk under FRTB
- CVA
- Operational risk
- Output floor

#### Own funds definition (30m)

- Components and eligibility criteria
- Limits and deductions

#### Minimum capital ratios (30m)

- CRR minimum levels
- Combined buffers
- Systemic buffers
- P2R, P2G, TSCR and OCR

#### Securitization framework (30m)

- Key definitions and requirements
- STS securitizations (traditional Vs. synthetic)
- Conditions for significant risk transfer and implicit support
- RWA calculation rules

#### Large exposures (30m)

- Key concepts and limits to large exposures
- Exemptions and calculation rules

#### Leverage regime (30m)

- Leverage ratio
- Components and calculation rules

#### Prudential reporting and disclosure (30m)

- COREP and FINREP templates: key dimensions and content
- Disclosure requirements, scope, frequency, and templates

#### MREL (30m)

- Regulatory background
- Calculation formulae and eligible liabilities
- Composition and minimum levels
- Integration of MREL in resolution framework

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## Part II: 26 & 27 March'25

### Day 3: Credit risk (7h)

#### Regulatory developments regarding credit risk (15m)

#### Credit risk lifecycle and credit risk management core processes (30m)

#### The revision of credit risk core concepts (1h30m)

- Definition of default, Stage 3 exposure and NPE
- Client in financial difficulties and forbore exposure
- Group of connected clients
- Segmentation: leveraged finance, IPRE, specialized lending, green lending, etc.

#### NPE management (1h)

- Regulatory context
- Internal governance and strategy
- NPE management tools
- Collaterals management
- Disclosure requirements
- Backstop calculation

#### Loan origination and monitoring (2h)

- Background: application scope, proportionality, and structure
- Internal governance dedicated to LOM
- Credit origination
- Pricing
- Immovable and movable properties
- Credit monitoring
- Main challenges posed to the adoption of EBA/GL/2020/06

#### IFRS 9 impairment framework (1h45m)

- Key components: expected credit loss (ECL) based, lifetime perspective, forward looking (FwL) dimensions and exposures staging
- Collective impairment: risk parameters, FwL dimension and ECL calculation
- Individual impairment analysis: quantification of recoverable value, collaterals management, and gone Vs. going concern

### Day 4: Financial risks (7h)

#### Interest rate risk (IRRBB) and Credit spread risk (CSRBB) (3h)

- Revised regulatory context
- Definition of IRRBB and different sub-types
- ALM Management: balance sheet management, FTP, and pricing and profitability models . IRRBB measurement: EVE and NII
- CSRBB quantification
- Scenarios used for risk assessment and SOT
- Coverage and management strategies
- Regulatory reporting

#### Liquidity risk (1h30)

- Regulatory context
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Additional Liquidity Monitoring Metrics (ALMM)

#### ILAAP (1h30)

- Regulatory framework
- ILAAP purpose and core components
- ECB Report on banks' ILAAP practices
- Funding and liquidity risk management model
- Fundings strategy
- Liquidity reserves and collateral management
- Intra-daily liquidity risk management
- Stress testing
- Liquidity contingency plan
- Main challenges and trends

#### Market risk (1h)

- Regulatory context and key concepts
- Boundary between banking and trading book
- Core risk management principles and governance arrangements
- Fundamental review of the trading book
- The use of internal models

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## Part III: 09 & 10 April'25

### Day 5: Non-financial risks, operational resilience, and data governance & data quality management (7h)

#### Basics of operational risk (30m)

- Key concepts and definitions
- Principles, sources of risk and operational risk categories
- Regulatory background
- The evolution towards non-financial risks

#### Operational risk management framework (1h30)

- Internal governance and key responsibilities
- Risk identification and assessment
- Risk monitoring and mitigation
- Risk quantification

#### From operational risk to operational resilience (3h)

- Business continuity and interdependencies mapping
- Third-party dependence
- Incident management
- ICT risks (including cybersecurity and IT security)
- DORA
- Cyber resilience stress test
- Main challenges

#### Data governance & data quality management (2h)

- Background, BCBS 239 principles and high-level requirements
- Overarching governance and architecture
- Risk data aggregation capabilities
- Risk reporting practices
- ECB's RDARR Guide
- Main challenges and hot topics

### Day 6: Regulatory agenda, supervisory expectations and emergent risks (7h)

#### EBA working plan for 2024 and ECB supervisory priorities for 2024-26 (30m)

#### Model risk management (1h)

- Key concepts, context & trends, risk vision, framework and regulatory issues
- Model inventory, life cycle and workflow solution
- Identifying, measuring and managing model uncertainties
- Model risk identification and assessment
- Model risk reporting
- Implementation of an MRM framework

#### ESG risks (3h)

- Clarify the need for an ESG perspective
- Regulatory context
- From the ESG risks materiality assessment to quantification and capital planning
- From targets definition to a climate transition plan
- Integration of ESG in credit risk
- The role of RMF regarding ESG risks
- Implications in terms of strategy and business opportunities
- ESG risks reporting and disclosure.

#### AI within the risk management framework (1h30)

- AI Act's risk management
- Key concepts
- Risk assessment and categorization
- Use of AI in risk management

#### The future of the RMF function: priorities of action, strategy, and tooling (30m)

#### Closing cocktail

### Key learning outcomes

- Understand the regulatory and supervisory contexts in relation to the risk management function and banks' internal control system
- Learn about key concept, principles, processes and tools dedicated to risk management
- Identify the key banking risks categories and understand their relative importance
- Understand the regulation aimed at controlling risk in banks and how it has evolved
- Learn about the qualitative and quantitative tools for measuring and managing financial and non-financial risks in banks
- Understand the different methodologies used for regulatory and economic capital as well as liquidity measurement in banks
- Learn from the main challenges faced and the key market trends in the risk management space



## Our experience

In addition to the national team, PwC has a solid global network of professionals, unparalleled in terms of consultancy, which allows us to identify the best practices followed by the banking sector of other countries and the various prudential requirements in place, in order to guarantee a response consistent with the expectations of the supervisory authority.



Participants will be challenged to test the knowledge acquired, by completing quizzes and practical cases, allowing the consolidation of learning!!

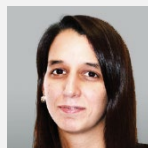
## Experts involved



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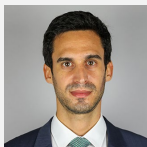
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PwC's Academy is a DGERT certified training entity.

## Registration conditions:

### Price: 3.150€ (plus VAT)

Includes materials, PwC certificate and closing cocktail

### Discounts:

- 10% for the 4th e 5th registration
- 20% on the 6th registration onwards

The registration should be submitted on our website in [pwc.pt/academy](https://pwc.pt/academy) using our online [registration form](#).

**Payment must be made until the course date.**

## PwC's Academy contacts

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