

Suggested workshop / seminar agenda

Risk Management for Microfinance Institutions and SME banks

as of: May 2014

The general idea of our risk seminars and workshops is to deliver first class know-how and risk management technology to our clients, which are based on the highest standards used in the financial industry and adapted to the clients work environment. This gives our clients the option to select the level of complexity of solutions, which is adequate to their current business needs and regulatory requirements, and which allows them to grow their related capacities in line with further development of their business.

The below is a suggested list of agenda points for such a risk seminar / workshop. Obviously, the focus of a customised training program or workshop shall be agreed upon individually to ensure the specific needs of the client institution are fully addressed.

1 Overview Risk Management

- Famous examples of Risk Management failures / Risk Events in MFIs
- A history of Risk Management, a brief overview of the "Basel" recommendations on Risk Management

2 The Risk Management Process and Organisation in general

The main process steps for "doing" risk management: Identification, Evaluation, Treatment, Monitoring, Documentation & Communication

3 Credit Risk

3.1 Overview of current standards of Classical Client Credit Risk

- Standard process and instruments for Credit Risk Management (product development, client analysis, classification and rating, collateral, decision process, loan portfolio management, early warning system, arrears handling, restructuring, work out and provisioning)
- Suggested tools for all of the above components of Credit Risk Management
- The relation between the lending process and the credit risk management process

3.2 Overview of current standards of Counterparty Risk

- Standard process and instruments for Counterparty Risk Management (Principle Risk, Replacement Risk, Pre-Settlement vs. Settlement Risk, Counterparty analysis process)
- Qualitative Assessment of Counterparty Risk at the MFI or SME bank to link theory with practice

4 Operational Risk

4.1 Overview of current standards

- People, Process, Legal, Compliance, Fraud, External, Information Security Risk
- Processes and tools for managing Operational Risk (risk assessments, risk event management, new risk approval, risk indicators)
- Qualitative Assessment of Operational Risk at the MFI or SME bank to link theory with practice

5 Market Risk

5.1 Overview of current standards for managing Currency Risk

- Processes and tools for managing FX Risk
- Qualitative Assessment of FX Risk at the MFI or SME bank to link theory with practice

5.2 Overview of current standards for Interest Rate Risk

- Processes and tools for managing IR Risk
- Qualitative Assessment of IR Risk at the MFI or SME bank to link theory with practice

5.3 Overview of current standards for Liquidity Risk

- Processes and tools for managing Liquidity Risk
- Qualitative Assessment of Liquidity Risk at the MFI or SME bank to link theory with practice

6 Implementation of Risk Management

6.1 Risk Governance

- Responsibilities of staff, the risk department, management and board
- Risk Reporting, Risk Strategy and Risk Management as a factor of business management

6.2 Resources required for Risk Management

- Resourcing considerations
- Risk Training
- Systems, tools and procedures

6.3 The benefits from having Risk Management

- What you can expect and what you shouldn't expect

7 Additional Options

7.1 Option 1: Risk Management and Responsible Finance

- The parallels of RF and RM

7.2 Option 2: Transformation Risk

- Special Risks affecting MFIs transforming into licensed financial institutions

7.3 Option 3: Analysis of the MFI's Risk Management system during the seminar and summary in a risk map for the MFI

The Risk Map will provide an overview of the main risks and severities of the company. It will be generated during the above described workshop topics by doing qualitative assessments on the various risk categories at the institution. The generation of a risk map will visualise the current state of the risk management functions at the MFI / SME bank and help to set the focus for the future development of the new Risk Management System.

Contact us for more information

If you are interested in setting up a Risk Management Seminar or Workshop for your institution, please contact us to discuss further details. We are looking forward to hearing from you via e-mail at info@nomorisk.com or over the telephone on +49 (0)69 17554020-0.

For further information on other training programs and services please visit our website: www.nomorisk.com