



2 - 4 SEPT 2024
MANAMA- BAHRAIN

NEW INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) BASEL COMMITTEE REQUIREMENTS

NEW INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) IN VIEW OF THE CURRENT MARKET VOLATILITY

BACKGROUND

Management of Interest Rate Risk in the Banking Book (IRRBB) has undoubtedly become one of the most crucial disciplines for any Bank to master, especially within the interest rate environment that Banks are currently facing as a result of the market volatility and the measures undertaken to cope with the impact of COVID-19. Banks worldwide are now facing daily decisions of hedging their balance sheet mismatches while defending their profitability and deposits market share in such a very competitive market.

In a more general way, compliance with the Basel Committee's standards on IRRBB presents significant challenges to all Banks with respect to measurement, calculation and hedging of IRR, and this whole area is the subject of intense focus from the regulatory authorities, external auditors and rating agencies. Banks need to ensure they are able to address all the requirements of the regulation whilst ensuring regulatory capital optimization.

This workshop provides comprehensive coverage of the best-practice approach to IRRBB, to ensure optimum compliance with Basel Standards. It explains the process and implementation of an efficient IRRBB measurement, reporting and hedging framework in clear and practical terms. It will discuss as well the available hedging strategies and the different current and future challenges that Banks are facing and how to overcome them.

OBJECTIVES

On completion of this workshop, participants will gain in-depth understanding of IRRBB management. The workshop will cover a range of key topic areas including approaches to implementing a measurement and reporting solution, addressing key challenges of running stress testing exercises and examine enhanced disclosure requirements as well as key challenges facing Banks in view of the current interest rate environment.

WHO SHOULD ATTEND?

- Bank Regulators
- Chief Risk officers (CROs) & Risk Managers
- Internal auditors
- Financial officers
- Compliance Managers
- Treasury Managers
- Capital Markets Managers
- External Auditors



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MAIN TOPICS AND AGENDA

DAY 1

- Significance of IRR for Banks
- Definition of IRR and its various forms
- Regulatory landscape
- Stress testing (Selection process of shock and stress scenarios and addressing key challenges of running stress testing exercises)

DAY 2

- The Basel Committee Standards on IRRBB
- The Standardized IRR Framework
- IRR Principles
- Internal governance
- Enhanced disclosure requirements
- Pillar 2 guidance
- Managing/mitigating IRRBB
- Implementing IRRBB measurement solution
- Assessing the operational impact of IRRBB

DAY 3

- IRRBB link to capital
- Reporting metrics: NII and EVE
- Understanding and applying the value approach
- Understanding and applying the income approach
- Methods for calculating EVE and NII sensitivity
- Assessing different types of risk – yield curve, basis, option, residual
- Behavioral approach
- Approaches to modelling deposits
- Data requirements
- Management actions facing current challenges



SPEAKER:
MR. AWAIS CHAUDHRY

Mr. Awais Chaudhry is heading the Balance Sheet Management for Gulf International Bank in KSA overseeing the ALM function with extensive experience in Interest rate risk management, Liquidity risk and Capital management. Mr. Awais is a financial markets specialist with over 17 years of international experience in global and regional banks. He gained diverse experience at Citigroup New York overseeing the Structured credit products during the financial crisis of 2008. Awais is a University of Toronto graduate and a holder of CPA.

PARTICIPATION FEES
UAB MEMBERS: \$1200
UAB NON-MEMBERS: \$1500

MEANS OF PAYMENT

Please find below our account in USD
at Arab Bank- Jordan
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For more information and registration kindly send an email to :training@uabonline.org