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Effective Risk Management: Tools and Practices

19-20 April 2018, Tirana

Objectives of the Training

The main objective of the training is to review the risk management practices and equip the local professionals with needed tools to implement the best practices at their institutions. The combination of theoretical knowledge and practical skills will enable the participants better maneuver in this difficult time of financial crisis.

Methodology

Interactive presentations that will focus on providing tools and discussion to strengthen risk monitoring, mitigation and management within a financial institution. Day one will focus on managing risk at an organizational level via a risk department or committee. The second day will be an overview of useful tools to manage specific risks such as a risk register to measure the operational risk. The second half of both days will have practical case studies based on real life situations using the topics and tools presented.

Who Should Participate

Risk practitioners at a senior level including senior managers who would like to deepen their knowledge of risk management.

Venue: Camelia Room, Xheko Imperial Hotel

Registration starts at 9:00

Day 1- Morning: from 09:30 to 13:15

Risk Governance – some principles & what you as risk practitioners need to know

1. Opening and Introductions	0.5 hour
2. Risk Appetite and Strategy	1 hour
a. Risk Appetite Statement (activity)	
b. Strategy, capital and risk appetite	
11:00 – 11:15 Coffee Break	15 min
Risk Management Department	1 hour
c. Structure and Authority	
d. Monthly and Quarterly Reporting	
i. Senior management	
ii. Risk Management Committee	
iii. Supervisory Board – Dashboard (activity)	
3. Risk Management Committee	1 hour
a. Developing and using a Risk Matrix (activity)	
b. Authority of the committee	
13:15 – 14:15 Lunch	1 hour

Day 1- Afternoon: from 14:15 to 18:30

Practice session on “taking action” or “interpreting” certain risk events and risk reports

1. 3- 4 rounds (45 minutes each) of case scenarios in participant groups of 4 people each, as if they were “banks” competing against each other and dealing with Risk events. Includes wrap-up and plenary discussion of (a selection of) each bank’s decisions. 4 hours

2nd Coffee Break to be served from 16:15 to 16:30.

DAY II

Registration starts at 9:00

Day 2 – Morning: from 9:30 to 13:15

Practical tools for managing your risk domain

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| 1. Tools to Monitor and Manage Specific Risks: | |
| a. Financial Risks | 0.5 hour |
| i. Types of Limits | |
| ii. Stress testing | |
| b. Operational Risk | 1 hour |
| i. Operational Risk Register | |
| ii. Operational Risk Committee | |

11:00 – 11:15 Coffee Break 15 min

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| c. Credit Risk Tools for Effective Portfolio Management | 1.5 hour |
| i. Loan Review | |
| ii. Risk ratings | |
| d. Other risks | 0.5 hour |
| i. External (reputation/legal/compliance) | |
| ii. Business Risk including new product development | |

13:15 – 14:15 Lunch 1 hour

Day 2- Afternoon: from 14:15 to 17:30

Practice session on “taking action” or “interpreting” certain risk events and risk reports

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| 2. 2-3 rounds (of 45 minutes each) of case scenarios in participant groups of 4 people each, as if they were “banks” competing against each other and dealing with Risk events. Includes wrap-up and plenary discussion of (a selection of) each bank’s decisions. | 3 hours |
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Coffee Break to be served from 16:00 to 16:15.

The end.

PROFILES OF TRAINERS

Lead Trainer



Ferdinand Tuinstra (1966, The Netherlands) is a senior banker and risk management advisor with extensive knowledge of emerging markets. He brings over 25 years of banking experience in the field of risk management, corporate debt (and restructuring), and corporate finance. The areas he is the most familiar with are SME and corporate banking, but he also gained experience in agri-, retail and micro lending. He currently specializes in risk governance in financial institutions, working with the Board Risk Committee, the CRO and the Risk Management Department to enhance decision-making and policy/strategy setting.

Ferdinand has worked in international assignments for reputable banks like ABN AMRO Bank, Royal Bank of Scotland and Rabobank, as a corporate banker in Germany and Singapore; as risk manager in the Rabobank/EBRD joint venture Kyiv International Bank in Kyiv and as Chief Risk Officer on the board of KMB Intesa in Moscow. After serving as EMEA head in structured agricommodity finance in ABN AMRO/RBS, he joined IFC in 2010 as a senior banking advisor responsible for implementation of various risk management advisory projects in local banks and MFIs in Eastern Europe and Central Asia. Next to his advisory work for IFC, he is a non-executive director and head of the Board Risk Committee in a bank in Azerbaijan, and founding partner of Banking4Development, an advisory boutique focused on SME Banking, Risk and Strategy.

Lead Trainer



Donna Nails is an independent consultant specializing in domestic and international development finance. She is regularly called on to conduct operational and financial audits for international finance companies, and to structure and recommend risk management practices.

Most recently, Ms. Nails has worked on developing risk management programs at financial institutions in Albania, Azerbaijan, Jordan and Bosnia & Herzegovina. Ms. Nails has been an analyst for Aeris since its inception in 2005, conducting analyses on US based financial institutions in the areas of capitalization, asset quality, liquidity, earnings, management and impact for investors and donors.

Ms. Nails served as the deputy director within Corporate Risk Management department of a \$1.3 billion bank holding company, from 2003 to 2005. Within this position, Ms. Nails' responsibilities include monitoring credit risk (loan quality, portfolio trends, and policy compliance), present quarterly assessment of liquidity trends, interest rate risk, and operational performance to the corporation's Audit Committee. Additional responsibilities included overseeing the loan and peer reviews of member banks, non-bank companies, and foreign programs (consolidated loan portfolio exceeds \$800 million) and providing consultative services on risk management to banks internationally.

Prior to assuming her role within the Corporate Risk Management department, Ms. Nails spent two years within the Business Banking department of the bank as a Commercial Lender. Her responsibilities in this position included structuring, funding and managing a small business lending portfolio with loan size between \$50,000 - \$5,000,000.

Prior to working at the bank, Ms. Nails worked over 4 years as an international economic development specialist in Ukraine, Moldova and Belarus. Additionally, Ms. Nails worked over 8 years in the insurance and reinsurance industries.

Ms. Nails holds a BA from the University of Illinois, a MBA from DePaul University, and received a certification from the ABA Stonier Graduate School of Banking.

Co- Trainer



Aida Musagic, a lending practices and credit risk management specialist, has extensive experience working with micro finance institutions in the area of underwriting.

Ms. Musagic has extensive hands on experience in restructuring and “turn around” processes of microfinance institutions with problem assets in the region. Ms. Musagic is in charge of developing and identifying new market opportunities as well as developing new product lines based on the client’s needs.

Most recently, Ms. Musagic was part of a two-member team that was hired by the largest MFI in Albania to create a more efficient lending process and develop a collections department. Over approximately 2 years, Ms. Musagic worked with the credit department to review all practices and policies of a loan life, from origination to pay off or liquidation, to find areas of strengthening to create a more efficient lending process.

Ms. Musagic graduated from MIB School of Management Trieste with a Masters Degree in Insurance and Risk Management and received a Postgraduate Diploma in Credit Insurance and Surety University of East London, United Kingdom.