

**The Capital Adequacy Assessment Process (ICAAP) FRAMEWORK
As part of SREP (Guidelines for common procedures and methodologies for
the supervisory review and evaluation process)**

ORGANISATION SHEET

Objectives	<p>The main objective of this course is to provide participants with a good understanding of the Internal Capital Adequacy Process (ICAAP) as a key component of the Supervisory Review and Evaluation Process (SREP) in banking. Specifically, the course helps participants to understand:</p> <ul style="list-style-type: none"> • Risk management • Basel framework based on 3 pillars • SRP / Pillar 2 Principles • Pillar 2 and non-covered risks • ICAAP principles (Basel / ECB) & Pillar II buffers • ECB and Pillar 2 - SREP • Specific aspects e.g. model validation, economic capital • risk appetite framework, stress testing, recovery & resolution • Discussion of practices, approaches & challenges • Future trends in risk ICAAP: e.g. Climate risk
Methodology	<p>The course will be delivered online. The methodology is based on a combination of theory and practical exercises.</p>
Target group	<p>Risk and Finance Professionals from banks or supervisory authorities <u>with at least 3 years of experience working in risk management</u>. The course will be of particular interest to risk managers, finance managers, internal auditors and senior managers from different banking areas.</p>
Language	<p>A good command of English is a required.</p>
Participants	<p>Up to 15 participants maximum</p>
Expert	<p>Mr Ruben Olieslagers Head of CFO Office at BNP Paribas (Fortis) Bank; Visiting Professor Risk Management / Regulation Univ. UCL - Belgium Member of the House of Training Quality Circle ALRiM in Risk Management Ruben Olieslagers has been active for more than twenty five years in risk management and corporate banking in large European financial institutions. He has been closely involved in the development and the implementation of credit risk and economic capital models. Furthermore, he played an active role in several national and international banking and insurance associations in the context of their interactions with the Basel Committee and the European Commission in order to safeguard the interests of the financial institutions. He regularly lectures at universities (e.g. Belgium, the Netherlands, Germany, Austria, Switzerland, Italy) on financial topics related to risk management and has contributed to many articles, books and papers.</p>
Duration & Date	<p>4 sessions of 4 hours each. from 24 to 27 May to from 9 to 1pm.</p>
Platform & Technical requirements	<p>WebEx Participants are required to have the appropriate equipment and infrastructure: i.e., Internet access, PC or tablet, Webcam (that should be kept on when possible) and a perfectly working microphone.</p>

Programme organised in collaboration with and validated by

The Capital Adequacy Assessment Process (ICAAP) framework As part of SREP (Guidelines for common procedures and methodologies for the supervisory review and evaluation process)

CONTENT

SESSION 1: BASEL FRAMEWORK – 3 PILLARS WITH FOCUS ON THE SECOND PILLAR

- Risk management: risk taxonomy, dimensions, risk map, cycle, risk appetite, capital regulation, economic and regulatory capital
- Basel Committee on Banking Supervision:
 - History, development, overview of the 3 Pillars, evolutions
 - Definition of capital and buffers
 - International Regulatory Environment: EU / US
 - Pillar 2 versus Pillar 3 as complement of Pillar 1

SESSION 2: FOCUS ON PILLAR 2

- Importance of Pillar 2
- Pillar 2 based on 4 Key Principles
- Pillar 2 and Risk Management:
 - firm wide risk oversight – risk governance, concentrations, reputational risk,
 - valuation practices, stress testing, liquidity risk
- Pillar 2 and risks not captured under Pillar 1:
 - IRRBB, Credit, Market, Operational,
 - Remuneration, Data aggregation and risk reporting

SESSION 3: ICAAP – zoom on specific aspects

- Pillar 2 and SREP
 - BMA, Governance, ICAAP, ILAAP
 - buffers: pillar II Requirements / Pillar II Guidance
- Economic capital and ICAAP
- Risk Appetite Framework & capital budgeting
- Zoom on credit risk stress testing
- Validation of models
- Discussion of an example

SESSION 4: FUTURE TRENDS IN RISK MANAGEMENT

- Discussion of practices, approaches & challenges
- Latest regulatory developments in ICAAP: e.g. Climate risk
- Conclusions and wrap-up

By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of contents as described herein.¹

¹One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted. Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology. In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls "Quality Circles", that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.