Basel III/IV - Practical Impact on Banks Training Course

Professional Development Training Course Outline

Category	Risk Management	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

The journey from Basel III to the final reforms, often termed Basel IV, marks the most significant evolution in global banking regulation since the 2008 financial crisis, driving a mandatory overhaul of risk governance and capital management. This course focuses on the practical implementation challenges arising from the Basel Committee on Banking Supervision's (BCBS) standards, which aim to enhance the banking sector's resilience and comparability. Key changes include the overhaul of Risk-Weighted Assets (RWA) calculation, the introduction of the Output Floor to constrain Internal Model Approaches (IMA), and the adoption of the new Standardised Measurement Approach (SMA) for operational risk. Financial institutions globally must now transition from policy interpretation to strategic execution, requiring deep expertise to mitigate capital shortfalls and maintain Return on Equity (ROE).

Basel III/IV - Practical Impact on Banks Training Course is designed to equip financial professionals with the advanced analytical skills necessary to navigate this complex regulatory landscape. It moves beyond mere compliance, focusing on the strategic implications of the final Basel framework on business models, credit processes, and technological infrastructure. Participants will gain practical, hands-on experience in model recalibration, capital planning, and optimizing regulatory reporting under the new Pillar 1 and Pillar 2 requirements. By leveraging real-world case studies including the impact on European and US banks' RWA the course provides actionable insights to drive enhanced transparency, foster a superior risk culture, and ensure the firm's long-term financial stability and competitive positioning in a highly regulated global market.

Programme Curriculum

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Course Duration

5 days

Course Objectives

1. Analyze the complete Basel III/IV Final Reforms and their definitive impact on bank RWA.
2. Master the calculation and strategic application of the revised Capital Adequacy Ratios
3. Implement the new Output Floor mechanism and its specific constraint on Internal Model Approaches (IMA).
4. Apply the revised Standardised Approach for Credit Risk (SA-CR), including specialized lending and off-balance sheet items.
5. Model the shift from AMA to the new Standardised Measurement Approach (SMA) for Operational Risk capital requirements.
6. Evaluate the strategic implications of the Leverage Ratio (LR) as a non-risk-based backstop on balance sheet growth.
7. Design and optimize Liquidity Risk Management strategies using the LCR and NSFR metrics.
8. Integrate Pillar 2 Supervisory Review requirements, including robust Internal Capital Adequacy Assessment Process (ICAAP) frameworks.
9. Streamline Pillar 3 Market Discipline disclosures for enhanced investor transparency and comparability.
10. Assess the intersection of Basel IV requirements with the latest IFRS 9 accounting standards.
11. Develop a Regulatory Compliance Roadmap and manage a large-scale Basel Implementation Project.
12. Utilize Scenario Analysis and Stress Testing methodologies to evaluate banking sector resilience.
13. Drive Data Governance and IT System Overhaul to meet granular regulatory reporting standards

Target Audience

1. Chief Risk Officers (CROs) and Chief Financial Officers (CFOs)
2. Regulatory Compliance and Policy Teams
3. Capital Management and Treasury Specialists
4. Credit Risk and Market Risk Managers/Model Validators

5. Internal Audit and External Regulatory Reviewers
6. IT/FinTech Project Managers for Regulatory Systems
7. Central Bank and Financial Regulatory Staff
8. Management Consultants and Advisory Professionals in Banking

Course Modules

Module 1: Basel Evolution and Strategic Landscape

- Basel III Foundations
- Defining Basel IV and the BCBS's goal of reducing RWA variability.
- Regulatory Timeline and Jurisdictional differences
- Impact on bank Profitability and the challenge to maintain ROE and competitive advantage.
- The critical role of Risk Culture and Governance in successful implementation.
- Case Study: Analysis of a Global Systemically Important Bank (G-SIB)'s projected capital shortfall based on the initial impact assessment of the Output Floor.

Module 2: Overhauling Risk-Weighted Assets (RWA) and the Output Floor

- Detailed review of the new Standardised Approaches for Credit Risk
- Constraining Internal Models.
- Implications for Advanced IRB banks and the retreat from complex internal models.
- Calculation and treatment of various exposure classes.
- Practical hands-on exercise on RWA aggregation under the new dual-calculation regime.
- Case Study: The European Banking Authority (EBA)'s impact assessment on RWA for a diverse portfolio of European banks post-Output Floor implementation.

Module 3: Advanced Credit Risk Methodologies

- Deep-dive into the revised Standardised Approach (SA) for Credit Risk, including external ratings use.
- Changes to the Internal Ratings-Based (IRB) approach
- Specific regulatory treatment of Specialised Lending
- The Credit Valuation Adjustment (CVA) framework and its revised treatment.
- Securitisation framework reforms and capital impact.
- Case Study: Assessing the capital charge for a bank's Corporate Lending portfolio under the revised SA-CR versus the new IRB floor.

Module 4: Market Risk - The Fundamental Review of the Trading Book (FRTB)

- The complete structure of FRTB
- Defining the boundary between the Trading Book and the Banking Book.
- Calculation of Expected Shortfall (ES) under the FRTB-IMA.
- Managing the complexities of the FRTB-Standardised Approach, including the Sensitivities-Based Method.
- Data and technological challenges for Market Risk system integration.
- Case Study: Comparison of capital requirements for a bank's Fixed Income Trading Desk under Basel 2.5 vs. the FRTB framework.

Module 5: Operational Risk and Simplified Approaches

- Retirement of all previous OpRisk methods
- Implementation of the new Standardised Measurement Approach for Operational Risk.

- Components of SMA
- Addressing the challenge of collecting and using Historical Loss Data under SMA.
- Impact on capital for banks with historically low operational losses.
- Case Study: Simulating the OpRisk capital calculation for a major bank using the new Business Indicator formula and its impact on required capital.

Module 6: Liquidity, Leverage, and Off-Balance Sheet Management

- Review of Liquidity Coverage Ratio and Net Stable Funding Ratio compliance strategies.
- Strategic use of the Leverage Ratio as a backstop, particularly for G-SIBs
- Optimizing the balance sheet structure to manage both risk-based and non-risk-based capital constraints.
- Impact of Basel IV on Off-Balance Sheet items.
- The latest on Interest Rate Risk in the Banking Book.
- Case Study: Analyzing a bank's strategy to meet a 3% Leverage Ratio without sacrificing attractive, low-RWA business lines.

Module 7: Pillar 2 & 3: Supervisory Review and Market Discipline

- Deep-dive into the Supervisory Review and Evaluation Process and its methodologies.
- Developing a robust Internal Capital Adequacy Assessment Process document.
- Conducting Reverse Stress Testing and advanced scenario analysis for macro-economic risks.
- Mastering the revised Pillar 3 Disclosure requirements for enhanced comparability and investor relations.
- The critical role of Data Governance and its link to Pillar 2/3 reporting integrity.
- Case Study: Reviewing the SREP outcomes and Pillar 2 Guidance (P2G) imposed by a national regulator on an institution following a stress test failure.

Module 8: Implementation Roadmap and Strategic Response

- Developing a multi-year Basel Implementation Project Plan
- Strategies for managing Regulatory Data Architecture and IT system changes.
- The role of FinTech and RegTech solutions in automating reporting and RWA calculation.
- Optimizing the business model
- Future-proofing the organization against potential subsequent regulatory changes.
- Case Study: Examining the technology and organizational restructuring undertaken by a major US or European bank during its FRTB/Output Floor implementation phase.

Training Methodology

This course employs a participatory and hands-on approach to ensure practical learning, including:

- Interactive lectures and presentations.
- Group discussions and brainstorming sessions.
- Hands-on exercises using real-world datasets.
- Role-playing and scenario-based simulations.
- Analysis of case studies to bridge theory and practice.
- Peer-to-peer learning and networking.
- Expert-led Q&A sessions.
- Continuous feedback and personalized guidance.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org or call +254769199797

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
23 Nov 2026	27 Nov 2026	Online	$1,000
23 Nov 2026	27 Nov 2026	Physical	$1,500
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$4,500
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$6,000

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