Model Risk Management for Banks Training Course

Professional Development Training Course Outline

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

Course Introduction

Model Risk Management for Banks Training Course is designed to equip banking professionals with advanced knowledge and practical skills to identify, assess, control, and mitigate model risk across modern financial institutions. As banks increasingly rely on Artificial Intelligence (AI), Machine Learning (ML), credit scoring models, stress testing models, fraud detection analytics, valuation models, and regulatory reporting models, effective model governance, model validation, risk analytics, and regulatory compliance have become strategic priorities. This course provides a comprehensive understanding of model lifecycle management, model development standards, independent validation frameworks, data quality controls, explainable AI (XAI), and risk-based model oversight aligned with global banking best practices.

The program focuses on building robust Model Risk Management (MRM) frameworks that enhance decision-making, operational resilience, and regulatory confidence. Participants will explore real-world banking challenges including model bias, model drift, data integrity failures, AI governance risks, credit model failures, and regulatory expectations. Through practical case studies, workshops, and industry scenarios, learners will develop the capability to establish effective three lines of defense, model inventory management, validation processes, performance monitoring, and governance frameworks to strengthen enterprise risk management.

Programme Curriculum

Model Risk Management for Banks Training Course

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Course Duration

5 days

Course Objectives

By the end of this course, participants will be able to:

1. Understand the principles and strategic importance of Model Risk Management (MRM) in modern banking.
2. Develop effective model governance frameworks aligned with regulatory expectations and industry standards.
3. Identify, measure, and mitigate model risk exposure across banking functions.
4. Implement robust model lifecycle management from development to retirement.
5. Apply advanced model validation techniques for banking risk models.
6. Evaluate Artificial Intelligence (AI) and Machine Learning model risks in financial services.
7. Establish effective model inventory, documentation, and control processes.
8. Improve credit risk model governance and validation practices.
9. Manage risks associated with stress testing, capital models, and regulatory models.
10. Apply data governance and data quality controls to reduce model uncertainty.
11. Understand explainable AI (XAI), fairness, and model transparency requirements.
12. Strengthen regulatory compliance, audit readiness, and risk reporting capabilities.
13. Build a future-ready enterprise model risk management strategy for digital banking environments.

Target Audience

1. Chief Risk Officers (CROs) and Risk Management Executives
2. Model Risk Management Professionals
3. Banking Risk Analysts and Quantitative Analysts
4. Credit Risk Managers and Credit Officers
5. Data Scientists and Machine Learning Professionals in Banking
6. Internal Auditors and Compliance Officers
7. Financial Modelling and Validation Specialists
8. Banking Technology, Analytics, and Governance Teams

Training Modules

Module 1: Fundamentals of Model Risk Management in Banking

- Understanding model risk concepts, sources, and business impacts

- Role of MRM within enterprise risk management frameworks
- Evolution of banking models and increasing complexity
- Regulatory expectations for model governance
- Building a strong model risk culture
- Case Study: Case Study: Credit Crisis Model Failures

Module 2: Model Governance Framework and Policy Development

- Designing a comprehensive Model Risk Governance Framework
- Defining roles under the three lines of defense model
- Establishing model ownership and accountability
- Creating model risk policies and standards
- Board and executive oversight of model risk
- Case Study: Case Study: Global Bank Model Governance Transformation.

Module 3: Model Lifecycle Management

- Managing models from development to retirement
- Model approval and implementation processes
- Model documentation requirements
- Model inventory management systems
- Monitoring model performance throughout lifecycle
- Case Study: Case Study: Digital Lending Model Lifecycle Management.

Module 4: Model Validation and Independent Review

- Principles of independent model validation
- Conceptual soundness testing
- Statistical testing and benchmarking approaches
- Back-testing and sensitivity analysis
- Validation reporting and remediation plans
- Case Study: Case Study: Credit Scoring Model Validation Failure

Module 5: AI, Machine Learning, and Emerging Model Risks

- Managing risks in AI-driven banking models
- Machine learning model governance
- Explainable AI (XAI) requirements
- Algorithm bias and fairness testing
- Managing model complexity and transparency
- Case Study: Case Study: AI Loan Approval Bias Detection

Module 6: Model Risk in Credit, Market, and Operational Risk

- Credit risk modelling frameworks
- Market risk valuation models
- Operational risk analytics models
- Stress testing and capital adequacy models
- Regulatory reporting model controls
- Case Study: Case Study: Stress Testing Model Enhancement

Module 7: Data Governance, Model Monitoring, and Controls

- Importance of high-quality data for reliable models
- Data lineage and data governance practices
- Model performance monitoring indicators
- Detecting model drift and degradation
- Automated model monitoring solutions
- Case Study: Case Study: Fraud Detection Model Drift

Module 8: Building Future-Ready Model Risk Management Strategies

- Developing enterprise-wide MRM strategies
- Regulatory trends in AI governance
- Digital banking model challenges
- Automation of model risk processes
- Creating sustainable model risk capabilities
- Case Study: AI-Enabled Banking Transformation.

Training Methodology

- 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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