

**BF018: FIRM-WIDE RISK MANAGEMENT****Seminar Background**

Firm-wide Risk Management should be everybody's business, not just the CEO's or the CFO's! Financial Risk Management is crucial in all businesses. During the recent crises, many companies suffered irrecoverable blows due to the lack of a proper risk management process. As we move ahead, regulators here are requiring companies to implement means of measuring their financial risks (mark-to-market) and to be prudent, i.e., hedge their exposures (SAS 33). As a result, there is a need for companies to understand the various firm-wide risk management concepts and know-how in order to measure, monitor and manage their risks successfully. This course aims to raise the awareness on the importance of risk management on a firm-wide basis and to equip attendees with requisite knowledge and foundational tools.

**Highlights:**

- *Introduction to the quantitative side of risk measurement – Value-at-Risk (VaR).*
- *Be guided through the various forms of risks - Market Risk, Credit Risk and Operational Risk.*
- *Gain a clear insight to Good Risk Management Practices.*
- *The Basel Capital Accord.*
- *An overview on "Best Practices" for Financial Risk Management Reporting from an FRS 32 perspective.*

**Seminar Contents**

- 1. Concept of Value-at-Risk (VaR)**
  - 1.1. Quantitative side of risk measurement
  - 1.2. Conditional Value-at-Risk (C-VaR)
- 2. Types of Firm-wide Risk**
  - 2.1. Systematic & Non-systematic Risk
- 3. Sources of Market risk**
  - 3.1. Interest Rate, Foreign Exchange, Equity & Commodity Risk
- 4. Credit Risk**
  - 4.1. Examples of Settlement Risk
  - 4.2. Pre-settlement and Settlement Risk
  - 4.3. Principles for the management of credit Risk
- 5. Operational Risk**
  - 5.1. Examples of Operational Risk
  - 5.2. Operational Risk Classification Scheme
  - 5.3. Operational Risk Mitigating Strategies
  - 5.4. Sound Practices for the Management and Supervision of Operational Risk
- 6. Good Risk Management Practices**
  - 6.1. Group of 30's Report and Recommendations
  - 6.2. Recommended Risk Management Organizational Structure and the Role of the Chief Risk Officer (CRO)
- 7. The Basel Capital Accord**
  - 7.1. The Basel Committee
  - 7.2. History of the Basel Capital
  - 7.3. Structure of The New Accord
- 8. FRS32 Accounting Standard**
  - 8.1. Review of Key Accounting Requirements
  - 8.2. Current Practice and examples of Risk Disclosures
  - 8.3. Recommended Best Practices for Reporting



## Benefits of Attendance

Participants will acquire a good understanding of the various firm-wide financial risks and the techniques available to monitor, measure and manage such risks. This will equip them with a solid foundational knowledge of the different financial risk exposures and in turn motivate them to take risk management to an effective level on a firm-wide basis.

## Who should attend?

Senior Management, Risk Management Personnel, Treasury and Finance Personnel, Operations and Settlements Personnel, Company Accountants, Compliance, Internal and External Auditors.

## Seminar Facilitators

**Dr. Jeffrey C. K. Lim**, *certified Financial Risk Manager (FRM<sup>1</sup>)* and *certified Professional Risk Manager (PRM<sup>2</sup>)*, is currently the Managing Director of **PI ETA Consulting Company**, a Treasury & Financial Risk Management Consulting Company.

A Chartered Scientist (C.Sci.<sup>3</sup>), a Chartered Mathematician (C.Math.<sup>4</sup>) and an elected Fellow of the Institute of Mathematics and Its Applications, U.K. (FIMA), Jeff earned his **Ph.D.** in Stochastic Financial Modeling from the University of Cambridge in England. Jeff's research interest at Cambridge was in the area of Arbitrage Opportunities occurring in the Mispricing of Financial Options, and his original research culminated in the publication of his doctoral dissertation entitled: "Multi-period Mean-Variance Option Portfolio Strategies".

Jeff was an authorized Securities & Financial Derivatives Representative in London, having been certified by The Securities and Futures Authority (SFA) in England, where he started his career as a Derivatives Analyst with Nomura International in London, England. He subsequently joined NatWest Markets from London to become its Head of Currency Structured Products for South and South-East Asia. Jeff then moved to American Express Bank to become its Director of Structured Products, prior to assuming his current position.

Jeff has also contributed to the development and enhancement of talent and infrastructure for Singapore's financial center as a guest Professor at the National University of Singapore's Center for Financial Engineering, where he was responsible for the curriculum of its Master of Science degree program's core modules in Financial Derivatives and Treasury Management.

At PI ETA Consulting Company, Jeff was Principal Inventor in two of the Patents that the company currently holds – one in Treasury & Financial Risk Management Systems, and the other in Knowledge Management Systems.

Professionally, Jeff is a Fellow of both the Global Association of Risk Professionals (GARP), U.S.A. and the Professional Risk Managers International Association (PRMIA), U.S.A. He is also a Fellow of the Cambridge Philosophical Society, U.K.. Jeff is also honoured to be a Fellow of The Cambridge Commonwealth Society, U.K., having been previously awarded the Cambridge Commonwealth Trust and the Shell Group of Companies Doctoral Research Scholarship.

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<sup>1</sup> The *Financial Risk Manager* (FRM) designation is awarded by The Global Association of Risk Professionals (GARP), U.S.A.

<sup>2</sup> The *Professional Risk Manager* (PRM) designation is awarded by The Professional Risk Managers International Association (PRMIA), U.S.A.

<sup>3</sup> The *Chartered Scientist* (C.Sci.) designation is awarded by The Science Council, U.K.

<sup>4</sup> The *Chartered Mathematician* (C.Math.) designation is awarded by The Institute of Mathematics and Its Applications (IMA), U.K.

# SINGAPORE ACCOUNTANCY ACADEMY

Training Arm of the Institute of Certified Public Accountants of Singapore



## Seminar Details

Duration : 2 days (16 CPE hours)  
Dates : 16 – 17 Jun' 05; 08 – 09 Dec' 05  
Time : 9.00am to 5.00pm  
Fees\* : ICPAS Members S\$1,700.00  
Non-members S\$2,500.00

Venue : 20 Aljunied Road, CPA House, Singapore

*\*The fees quoted are inclusive of seminar materials and refreshments. GST (Goods and Services Tax) will additionally be charged at the prevailing rate.*