

INTRODUCTION TO CAPITAL AND PRICING

ICC
ACADEMY

Level 1

Duration 3 learning hours

Language English

Price US\$150

Credits 3

Credits category Appreciating Governance

Course code TF 101-17

Author: KRISHNAN RAMADURAI

Target audience

General practitioners working in banks, corporates, or financial institutions in functions such as Relationship Management, Credit, Compliance, etc. but with an interest in trade finance.

Course objectives

This course provides an introduction to the Basel III rules on Capital Adequacy and explains how Credit Risk and Liquidity Risk is measured.

Upon completion, you will have developed a good foundational understanding of:

- The Standardised and IRB approaches to calculation of regulatory capital
- The difference between Capital and Risk-weighted-assets (RWA)
- Differences between Regulatory Capital and Economic Capital
- Pricing of Trade Products from a Regulatory Capital and RWA perspective
- The regulatory liquidity management framework
- Pricing Trade Products from a Liquidity management framework perspective

Course outline:

- Module 1 Standardised Approach (Qualifying Capital, Risk weighted assets (RWA))
- Module 2 The Internal Ratings Based (IRB) Approach
- Module 3 Calculation of Capital
- Module 4 Calculation of Risk Weighted Assets (RWAs)
- Module 5 Economic Capital (Differences between regulatory and economic capital risk parameters)
- Module 6 Liquidity and its Impact on Pricing
- Module 7 Pricing of Trade Finance Products
- Module 8 Assessment



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ABOUT THE AUTHOR



KRISHNAN RAMADURAI

Head of Capital Optimization and Pricing, HSBC Bank

A Banking and Risk Management Professional with over 25 years of experience in the banking and financial services industry. Areas of expertise include: corporate and commercial banking, risk management, securitisation and the evolving regulatory landscape combined with extensive international experience across the UK, India and Middle East.

Started career with Hong Kong Bank as a Management Trainee and did a variety of jobs spanning operations, corporate banking, risk management and training. Joined Fitch in 2001 as Senior Director responsible for rating a portfolio of 40+ banks and NBFIs within the Emerging Markets sector. Promoted to MD of Fitch's Special

Projects Group in 2005 to lead the rating of a Fixed Income portfolio but also focus on Basel II. In 2009, became MD of Fitch's Credit Policy Group to oversee and monitor rating activity across Structured Finance.

During a ten year career at Fitch published a number of papers on Basel II and III. Joined HSBC Global trade finance in June 2012, to manage the Global Trade and Receivable Finance portfolio from a Capital and Returns perspective and provide Thought Leadership on Regulatory and Trade issues for the bank at industry forums. Appointed Senior Technical Advisor to the ICC-Trade Register report in 2014, to provide guidance on regulatory capital methodology and measurement issues.

Assessment

This eLearning course will include a self-assessment tool to help you prepare for the Global Trade Certificate (GTC) Final Examination if you choose to obtain this Certificate. The passing grade for the Final Examination is set at 70%.

What is an ICC Academy online course?

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Our courses are available for purchase individually or as pre-designed packages (ie: Certificates) and are delivered exclusively online. They include videos, animations, case studies, and a self-assessment section and are available to take at any time—anywhere in the world.

