

ADVANCED BANK RISK ANALYSIS



GENTEX[®]
TRAINING CENTER



Introduction

The Advanced Bank Risk Analysis Training Course builds the analytical depth that bankers, risk officers, and supervisors need to judge the health of a financial institution. Bank risk analysis goes well beyond reading a balance sheet. It examines capital adequacy, asset quality, liquidity, earnings stability, and sensitivity to market movements. This course combines the regulatory framework with hands-on ratio work, stress testing, and portfolio analysis. Furthermore, it covers credit modelling, liquidity metrics, and early warning signals. As a result, participants learn to reach defensible conclusions and communicate risk clearly to committees, regulators, and boards.

Advanced Bank Risk Analysis Course Objectives

- Interpret bank financial statements and identify the key risk drivers.
- Analyse capital adequacy under Basel III, including CET1, Tier 1, and total capital ratios.
- Assess asset quality using NPL ratios, coverage ratios, and provisioning analysis.
- Apply the CAMELS rating framework to evaluate bank soundness.
- Measure liquidity using LCR, NSFR, and cash flow gap analysis.
- Evaluate earnings quality, net interest margin, and cost-to-income performance.
- Quantify interest rate risk, FX risk, and market risk exposures.
- Build credit risk models using PD, LGD, EAD, and expected credit loss under IFRS 9.
- Perform stress testing and scenario analysis on loan portfolios.
- Design early warning indicators and risk dashboards for portfolio monitoring.

Course Methodology

- Interactive lectures with real bank financial statements and disclosures.
- Ratio analysis workshops using live and anonymised bank data.
- Credit modelling exercises on PD, LGD, and ECL calculation.

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- Stress testing and scenario workshop on a sample loan book.
- Case-based discussion of bank failures with facilitator feedback.

Who Should Take This Course

- Credit analysts and relationship managers in banks.
- Risk officers and enterprise risk analysts.
- Bank supervisors and central bank examiners.
- Treasury and ALM professionals.
- Internal auditors reviewing credit and market risk.
- Financial analysts covering banking institutions.

Advanced Bank Risk Analysis Course Outlines

Day 1: Bank Financial Statements and Risk Drivers

- Structure of a bank balance sheet and income statement.
- Net interest income, fee income, and non-interest revenue drivers.
- Off-balance-sheet exposures and contingent liabilities.
- Key performance ratios: ROA, ROE, and net interest margin.
- Loan loss provisions and their impact on earnings.
- Regulatory reporting and disclosure review.
- Case study: analysing a published bank annual report.

Day 2: Capital Adequacy and Basel III

- Basel III capital structure: CET1, Additional Tier 1, and Tier 2.
- Risk-weighted assets and credit risk mitigation.



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- Capital buffers: conservation, countercyclical, and systemic.
- Leverage ratio and total loss-absorbing capacity (TLAC).
- Capital planning and dividend distribution constraints.
- Basel IV changes and their analytical impact.
- Workshop: computing capital ratios from a sample bank file.

Day 3: Asset Quality and Credit Risk Modelling

- Loan classification, non-performing loans, and restructured exposures.
- NPL ratio, coverage ratio, and provisioning adequacy.
- Probability of default (PD), loss given default (LGD), and exposure at default (EAD).
- Expected credit loss under IFRS 9 and staging.
- Concentration risk by sector, geography, and borrower.
- Collateral valuation and credit risk mitigation techniques.
- Workshop: calculating expected credit loss on a loan portfolio.

Day 4: Liquidity, Market Risk, and Earnings

- Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).
- Funding structure, deposit stability, and wholesale reliance.
- Cash flow gap analysis and maturity mismatch.
- Interest rate risk in the banking book (IRRBB).
- FX exposure, gap analysis, and value-at-risk (VaR).
- Earnings quality, cost-to-income ratio, and provisioning trends.
- Workshop: building a liquidity and market risk summary.

Day 5: Stress Testing, Supervision, and Reporting



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- The CAMELS rating framework and supervisory judgement.
- Scenario design, stress testing, and sensitivity analysis.
- Early warning indicators and portfolio dashboards.
- Problem bank identification and prompt corrective action.
- Recovery planning, resolution, and crisis readiness.
- Risk reporting for committees, regulators, and boards.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Advanced Bank Risk Analysis, participants will gain a rigorous understanding of capital adequacy, asset quality, liquidity, market risk, and earnings analysis in banking. They will also acquire practical skills in ratio analysis, expected credit loss modelling, stress testing, and early warning indicator design. In addition, the course prepares them to present defensible risk opinions to committees and supervisors. Gentex Training Center delivers this programme with a strong focus on applied banking practice and measurable analytical improvement.

FAQs for Advanced Bank Risk Analysis course

Q1 What is the "Advanced Bank Risk Analysis" course about?

It is a five-day programme that develops analytical skill in assessing bank financial health. It covers capital adequacy, asset quality, liquidity, market risk, earnings quality, credit modelling, stress testing, and supervisory rating, so participants can draw sound conclusions from bank statements and disclosures.





Q2 What are the key benefits of the "Advanced Bank Risk Analysis" course?

Participants move from surface-level reading of bank accounts to structured risk diagnosis. The course sharpens credit and counterparty assessment, improves early detection of deteriorating banks, strengthens regulatory and audit readiness, and gives analysts a consistent language for presenting findings to risk committees and supervisors.

Q3 What skills will I gain from the "Advanced Bank Risk Analysis" course?

Participants gain bank financial statement and ratio analysis, capital adequacy and Basel III assessment, credit risk modelling with PD, LGD and expected credit loss, and liquidity, market risk and stress testing analysis. These four skills together cover the main dimensions of bank risk assessment.

Q4 What tools, methods, or standards are covered in the "Advanced Bank Risk Analysis" course?

The course covers the Basel III and Basel IV frameworks, the CAMELS rating framework, IFRS 9 expected credit loss staging, PD/LGD/EAD modelling, NPL and coverage ratios, LCR and NSFR, IRRBB, value-at-risk (VaR), cash flow gap analysis, stress testing and scenario analysis, and early warning indicator dashboards.



Q5 How is the "Advanced Bank Risk Analysis" course applied in real-world practice?

Participants apply the methods to real bank data. They compute capital and liquidity ratios, build credit risk models, run portfolio stress tests, prepare counterparty assessments, and design monitoring dashboards. Many leave with an analysis template they can use immediately in credit reviews or supervisory work.