

ADVANCED BASEL III MASTERCLASS



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Introduction

The Advanced Basel III Masterclass Training Course gives banking professionals a deep working knowledge of the global capital and liquidity framework. Basel III reshaped how banks measure risk, hold capital, and manage funding stability. It introduced stricter definitions of capital, new buffers, leverage constraints, and minimum liquidity standards. This course explains the framework from the ground up and then works through the calculations that matter in practice. Furthermore, it covers the Basel IV refinements, stress testing, and disclosure requirements. As a result, participants learn to assess capital positions, plan capital usage, and explain regulatory outcomes to management and supervisors.

Advanced Basel III Masterclass Course Objectives

- Explain the structure, objectives, and evolution of the Basel III framework.
- Apply the revised definitions of Common Equity Tier 1, Additional Tier 1, and Tier 2 capital.
- Calculate risk-weighted assets for credit, market, and operational risk.
- Interpret the output floor, leverage ratio, and total loss-absorbing capacity (TLAC).
- Apply capital buffers: capital conservation, countercyclical, and systemic risk buffers.
- Measure liquidity using the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).
- Evaluate the Basel IV refinements to credit and operational risk approaches.
- Assess interest rate risk in the banking book (IRRBB) and its capital implications.
- Review stress testing, scenario design, and capital planning processes.
- Prepare Pillar 3 disclosures and regulatory reporting summaries.

Course Methodology

- Interactive lectures with bank regulatory disclosure examples.

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- Calculation workshops on capital ratios and risk-weighted assets.
- Liquidity and funding gap exercises using a sample bank file.
- Stress testing and capital planning scenario workshop.
- Case-based discussion of Basel implementation choices with facilitator feedback.

Who Should Take This Course

- Bank treasury, capital, and regulatory reporting professionals.
- Risk managers and credit risk analysts in banks.
- Basel implementation and regulatory affairs specialists.
- Bank supervisors and prudential policy officers.
- Internal auditors covering capital and liquidity reporting.
- Consultants advising banks on regulatory change.

Advanced Basel III Masterclass Course Outlines

Day 1: Foundations and Capital Structure

- Origins of Basel III and the post-crisis reform agenda.
- The three-pillar structure: minimum capital, supervisory review, and disclosure.
- Capital instruments: CET1, Additional Tier 1, and Tier 2 eligibility criteria.
- Regulatory adjustments and deductions from capital.
- Capital buffers: conservation, countercyclical, and systemic.
- Basel IV timeline and implementation milestones.
- Case study: comparing capital structures across major banks.

Day 2: Credit Risk and Risk-Weighted Assets



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- Standardised approach for credit risk and its risk weights.
- The internal ratings-based (IRB) approach: foundation and advanced.
- Credit risk mitigation and collateral recognition.
- Counterparty credit risk and the CVA framework.
- Securitisation exposures and their treatment.
- The output floor and its effect on capital requirements.
- Workshop: calculating risk-weighted assets for a sample portfolio.

Day 3: Market Risk, Operational Risk, and Leverage

- The standardised approach for market risk (FRTB).
- The internal models approach and model approval requirements.
- The fundamental review of the trading book and its implications.
- Operational risk under the new standardised measurement approach.
- The leverage ratio and its components.
- Total loss-absorbing capacity (TLAC) and eligible instruments.
- Workshop: assessing market and operational risk capital charges.

Day 4: Liquidity Standards and IRRBB

- The liquidity coverage ratio (LCR): numerator, denominator, and haircuts.
- The net stable funding ratio (NSFR): available and required stable funding.
- Funding concentration and maturity mismatch analysis.
- Interest rate risk in the banking book (IRRBB) metrics.
- Supervisory outlier tests and capital treatment.
- Intraday liquidity monitoring and contingency funding plans.
- Workshop: computing LCR and NSFR from a sample balance sheet.





Day 5: Stress Testing, Capital Planning, and Reporting

- Stress testing frameworks and supervisory stress tests.
- Scenario design, severity calibration, and transmission channels.
- Capital planning, dividends, and distribution restrictions.
- Recovery planning and capital contingency measures.
- Pillar 3 disclosure requirements and templates.
- Supervision review process and internal capital adequacy assessment (ICAAP).
- Course review, assessment, and action planning.

Conclusion

By successfully completing Advanced Basel III Masterclass, participants will gain a comprehensive understanding of the Basel III capital, liquidity, and leverage framework and the Basel IV refinements that follow it. They will also acquire practical skills in risk-weighted asset calculation, capital and liquidity ratio computation, stress testing, and regulatory reporting. In addition, the course prepares them to advise on capital planning decisions with confidence. Gentex Training Center delivers this programme with a strong focus on applied regulatory practice.

FAQs for Advanced Basel III Masterclass course

Q1 What is the "Advanced Basel III Masterclass" course about?



It is a five-day programme covering the Basel III capital and liquidity framework in depth. It explains capital definitions, risk-weighted assets, buffers, leverage, liquidity ratios, IRRBB, stress testing, and reporting, so participants understand both the rules and the calculations behind them.

Q2 What are the key benefits of the "Advanced Basel III Masterclass" course?

Participants gain the confidence to work through capital and liquidity calculations rather than relying on summaries. The course improves regulatory reporting accuracy, strengthens capital planning and stress testing, sharpens supervisory dialogue, reduces compliance risk, and saves time during audits and implementation projects.

Q3 What skills will I gain from the "Advanced Basel III Masterclass" course?

Participants gain capital structure and regulatory adjustment analysis, risk-weighted asset calculation across credit, market and operational risk, liquidity ratio computation using LCR and NSFR, and stress testing, capital planning and Pillar 3 reporting. These four skills cover the framework from definition to disclosure.

Q4 What tools, methods, or standards are covered in the "Advanced Basel III Masterclass" course?

The course covers the Basel III framework, Basel IV refinements, the standardised and internal ratings-based approaches, the Fundamental Review of the Trading Book (FRTB), the standardised measurement approach for operational risk, the output floor, the leverage ratio, TLAC, LCR, NSFR, IRRBB metrics, supervisory stress testing, ICAAP, and Pillar 3 disclosure templates.

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Q5 How is the "Advanced Basel III Masterclass" course applied in real-world practice?

Participants apply the framework to real bank figures. They compute CET1 and total capital ratios, build risk-weighted asset calculations, measure LCR and NSFR, run stress scenarios, prepare capital plans, and draft Pillar 3 disclosures. Many leave with working templates they can use in their own reporting cycles.

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