MODULE SPECIFICATIONS

Bank Risk Management (BRM)

Level of Study: Chartered Banker (Level 3)
Effective date: 1 September 2023
Version: 2.1
Inclusion of qualification time limit in Section F and module time limit in Section G

A. Module Aim

The Bank Risk Management (BRM) module develops the candidate's knowledge, understanding and skills relating to bank risk management in a digital age, considering the types of risk that arise from the nature of banking, the trends that are shaping emerging risks, and the implications of these for the future of bank risk management. Candidates will develop their abilities to view risk holistically across the bank, identify and manage risk within the context of their own role, and think ahead and prepare for the future. They will also enhance their understanding of what it takes to build an effective risk culture that supports the bank's strategy and values and where decisions are made in line with the bank's risk appetite.

B. Learning Outcomes (LO)

Upon completion of this module, candidates will be able to:

LO1 — Evaluate the impact of current trends and influences on the types of risk to which banks are exposed due to the nature of their activities, and the implications of emerging risks for effective risk management
LO2 — Assess the extent to which the regulatory responses to bank failures and financial crises have been effective in improving bank risk management
LO3 — Critically reflect on the extent to which the adoption of a holistic approach to risk management is effective in measuring, monitoring, and mitigating risks to which a bank is exposed
LO4 — Assess the ways in which banks manage a range of key risks
LO5 — Critically assess the ways in which best practice in risk management could be applied to build and embed an effective risk culture
LO6 — Formulate a view on what the bank of the future may look like and the implications for bank risk management.

C. Learning Method – *as provided by Chartered Banker Institute, UK*

1. Delivery methodology

- Self-study
- Self-assessment and reflective activities
- Case studies
- Online discussion forums
- Online knowledge checks at the end of each unit
- Applying learning at work
- Reviewing and reflecting on current practice
- Creating a personal development plan to develop candidates' skills and further enhance professional practice.

2. Learning resources

- An interactive study guide in pdf format.
- Textbooks and online resources for core reading.
- Recommended further reading and resources.

D. Assessment

Examination (Pearson-Vue Online)	MCQ	Written	Assignment
Duration	[redacted]	[redacted]	[redacted]
Format	[redacted]	[redacted]	6,000-word work-based assignment
Passing mark	[redacted]	[redacted]	60%

E. Syllabus Outline

#	Learning topics	Learning outcomes (LO)	Assessment criteria
1	Bank business and risks 1.1 Overview of key principles of banking, finance, and financial products 1.2 Types of bank risks 1.3 Risk drivers, influencers, and trends	LO1 — Evaluate the impact of current trends and influences on the types of risk to which banks are exposed due to the nature of their activities, and the implications of emerging risks for effective risk management.	1. Explain key principles of banking, finance, and financial products. 2. Differentiate between the types of risk to which a bank is exposed and how they are interrelated. 3. Identify the key drivers of risk and emerging risks in the current risk landscape for banks. 4. Evaluate the impact of current trends and influences on the types of risk to which banks are exposed and the implications of emerging risks for effective risk management.
2	Bank failures, financial crises, and regulation 2.1 Bank failure 2.2 Early warning signals for bank soundness 2.3 Bank restructuring 2.4 Banking crises 2.5 Bank regulation and supervision	LO2 — Assess the extent to which the regulatory responses to bank failures and financial crises have been effective in improving bank risk management.	1. Identify the key determinants of bank failure and the causes of banking and financial crises. 2. Differentiate between types of early warning systems designed to monitor bank risk and

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	2.6 Conduct of business regulation 2.7 Regulatory capital and the capital adequacy assessment process		vulnerabilities in the financial system. 3. Assess the extent to which the regulatory responses to bank failures and financial crises have been effective in improving bank risk management. 4. Explain what is meant by conduct risk and the purpose of conduct of business regulation. 5. Explain the purpose and evolution of bank capital regulation.
3	Banks and risk management 3.1 Governance and the centralised risk function 3.2 The three lines of defence model 3.3 A holistic approach to risk management and enterprise-wide risk management frameworks 3.4 Risk management overview and principles	LO3 — Critically reflect on the extent to which the adoption of a holistic approach to risk management is effective in measuring, monitoring and mitigating risks to which a bank is exposed.	1. Explain the role of a bank's centralised risk management function and the ways in which a bank establishes risk policies that fit its markets and capabilities. 2. Assess the benefits and challenges of implementing the three lines of defence model in an operational risk management framework. 3. Identify the components of an enterprise-wide risk management framework and assess the extent to which adoption of a holistic approach to risk management is effective in measuring, monitoring, and mitigating risks to which a bank is exposed. 4. Examine the impact of current trends on managing risk across the bank. 5. Examine a range of key bank risk concepts and the implications of these for effective bank risk management.

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4	Managing bank risks 4.1 Managing credit risk 4.2 Managing interest and market risk 4.3 Managing liquidity risk 4.4 Managing operational risk 4.5 Impact of technology on bank risk management and the implications for the future	LO4 — Assess the ways in which banks manage a range of key risks.	1. Assess the implications of credit risk and the ways in which banks manage this risk. 2. Explain what is meant by interest and market risk and assess the ways in which banks manage these risks. 3. Assess the implications of liquidity risk and the ways in which banks manage this risk. 4. Assess the scope of operational risk and the ways in which banks manage the risks arising from its operations. 5. Assess the impact of technology on bank risk management and the implications for the future of bank risk management.
5	Risk culture 5.1 Risk culture defined 5.2 Elements and indicators of a sound risk culture 5.3 Risk culture frameworks 5.4 Risk culture best practices and cultivation 5.5 Risk culture, risk governance and incentive programmes	LO5 — Critically assess the ways in which best practice in risk management could be applied to build and embed an effective risk culture	1. Explain what is meant by risk culture. 2. Identify the indicators of a sound risk culture. 3. Assess the components of a risk culture framework. 4. Assess the ways in which risk management best practice could be applied to build and embed an effective risk culture across the bank. 5. Establish a link between effective risk governance, incentive programmes and risk culture.
6	The future of bank risk management 6.1 The bank of the future 6.2 Structural trends 6.3 Navigating challenges 6.4 Transforming the risk function	LO6 — Formulate a view on what the bank of the future may look like and the implications for bank risk management.	1. Formulate a view on what the bank of the future may look like and the implications for bank risk management. 2. Identify key structural trends that are likely to fundamentally reshape

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			the ways in which banks manage risk. 3. Assess what banks should be doing now to prepare for and deal with structural trends. 4. Assess the challenges that banks will be required to navigate to enable them to thrive in the future. 5. Assess the ways in which banks might transform their risk management functions to adapt to a future banking environment.

F. Qualification Time Limit

The qualification time limit refers to the time allocated to candidates to complete all the required modules for a certificated programme at the respective level of study. Candidates must complete the programme within the stipulated qualification time limit upon enrolment, failing which they will lose all the passes accumulated and must re-apply to the programme.

The qualification time limit for Level 3 Chartered Banker (CB) Programme is **24 months**.

G. Module Time Limit

The module time limit refers to the time allocated to candidates to complete and pass the module after successful registration.

The module time limit starts once candidates have successfully registered to a module. The module time limit for this module is **12 months**. Please make sure you complete your module before the module time limit expires. Candidates who did not complete within the module time limit are required to re-register the module with full payment.

For more information on the qualification and module time limit, please refer to the AICB Membership and Qualification Regulations.