

# Operational Risk Management

ASPECT ADVISORY ACADEMY  
TECHNICAL SEMINAR



## OVERVIEW:

Being the last P&L - risk that feeds into the regulatory capital ratios, requirements, methods and processes have been refined during the last years. This seminar details the components of an effective framework for operational risk starting with data gathering (loss database, scenario analyses, business environment and controls), loss modelling, governance structure towards capital allocation and risk mitigation. It finishes with a case study to set-up your own OpRisk framework.

## AGENDA OUTLINE:

### Day 1:

Day 1: Definition, data sources and OpRisk modelling

Day 2: OpRisk management and capital allocation

## WHO SHOULD ATTEND:

We believe that this seminar is most useful for participants from:

- Middle-/back-offices
- Risk management
- Internal audit
- Risk controlling

## SEMINAR FORMAT:

- This seminar will be conducted in English
- This session will be conducted via Microsoft Teams. On completion of your registration you will receive a link to the meeting

## COURSE MATERIAL:

- Sessions are recorded and could be obtained on request at the end of the seminar
- Trainers presentation slide decks could be obtained on request at the end of the seminar
- Certificates will be awarded at the completion of the seminar

## CERTIFICATE:

- Certificates will be emailed to the participants on completion of the seminar

*Have a question? Send us a mail to:  
[aaa.aspectadvisory.eu](mailto:aaa.aspectadvisory.eu)*

## DAY 1

Day 1 : Definition, data sources and OpRisk modelling

09:00

### 1. Taxonomy of operational risk and -loses

- 1.1 Types of operational losses
- 1.2 Similarities and differences w.r.t. other risk types
- 1.3 3D-loss databases: Loss [business unit x event x loss type]
- 1.4 OpRisk measurement vs. OpRisk management

10:30

Morning coffee break

10:45

### 2. Setting up and maintaining a loss database

- 2.1 Internal losses
- 2.2 External losses
- 2.3 Business environment and internal control factors
- 2.4 Scenario analysis

12:15

## DAY 1

Lunch Break

13:30

### 3. Loss modelling

- 3.1 Regulatory requirements
- 3.2 Modelling choices

15:00

- 3.3 Modelling of loss frequency (Poisson)
- 3.4 Modelling of loss severity

Afternoon Coffee Break

15:15

### 4. OpRisk mitigation

- 4.1 Process amendments
- 4.2 Insurance
- 4.3 Outsourcing

17:00

Close of Day 1 Sessions

## DAY 2

Day 2 : OpRisk management and capital allocation

### 5. Requirements for operating model of operational risk

09:00

- 5.1 Principles of operational risk (BCBS 195)
- 5.2 Defining OpRisk strategy and –risk appetite
- 5.3 Determine mutually exclusive governance structure

10:30

Morning coffee break

10:45

### 6. Capital requirements for operational risk

- 6.1 Basel III- and Basel IV – standardized approach
- 6.2 Definition and computation of business indicator
- 6.3 Advanced measurement approach: cost and benefit analysis

12:15

## DAY 2

Lunch Break

### 7. Qualitative adjustments to ensure forward-looking capital calculation

- 7.1 Defining key risk indicators (KRIs)
- 7.2 Determine early warning thresholds
- 7.3 Monitoring KRIs

13:30

### 8. Capital allocation

- 8.1 Proportional allocation
- 8.2 Incremental allocation

15:00

Afternoon Coffee Break

### 9. Set-up your own framework

- 9.1 Steps towards a framework
- 9.2 Major choices to be made
- 9.3 Minor choices to be made
- 9.4 Project plan

15:15

17:00

Close of Day 2 Sessions