Concentration Risk Management for Banks Training Course

Professional Development Training Course Outline

Category	Banking Institute	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

The banking sector faces a volatile financial landscape where interconnected exposures can rapidly turn localized vulnerabilities into systemic failures. Traditional risk frameworks often fail to catch compounding dependencies, especially when credit, market, and operational sectors overlap. Concentration Risk Management for Banks Training Course equips modern banking professionals with advanced methodologies to identify, quantify, analyze, and mitigate concentration risks across the entire enterprise balance sheet. By integrating updated regulatory guidance with predictive stress-testing mechanics, the masterclass converts risk compliance from a defensive checking exercise into an active driver of long-term capital optimization and strategic value.

Harnessing the power of predictive analytics, machine learning modeling, and real-time dashboard data tracking, this masterclass explores granular risk structures that are reshaping financial stability. Participants will move past basic single-name credit checks to conquer multi-dimensional asset concentrations, climate-related ESG exposures, and hidden third-party infrastructure vulnerabilities. Through a combination of simulation exercises, peer discussions, and quantitative modeling labs, this curriculum ensures that financial institutions can protect their liquidity buffers, bulletproof their regulatory capital requirements, and build institutional operational resilience against sudden macro-financial shocks.

Programme Curriculum

Concentration Risk Management for Banks Training Course

Introduction

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Course Duration

5 days

Course Objectives

- Master advanced credit risk metrics to accurately measure and monitor large exposures to individual counterparties or connected groups.
- Identify and analyze hidden correlations within specific economic sectors, industries, and geographic regions to prevent localized contagion.
- Deploy predictive modeling, machine learning algorithms, and agentic AI tools to detect real-time concentration anomalies before they breach risk appetite limits.
- Ensure total alignment with Basel Committee on Banking Supervision (BCBS) guidelines, IFRS 9 expected credit loss (ECL) mandates, and evolving supervisory frameworks.
- Formulate and run severe but plausible macroeconomic stress scenarios to assess the impact of concentrated defaults on capital adequacy ratios.
- Integrate concentration risk adjustments into the Internal Capital Adequacy Assessment Process (ICAAP) to dynamically maximize risk-adjusted return on capital (RAROC).
- Audit and diversify underlying collateral types and third-party protection providers to mitigate secondary concentration vulnerabilities.
- Map complex corporate ownership structures and economic dependencies to expose hidden, interconnected group liabilities.
- Diversify funding sources and structural asset-liability maturity profiles to eliminate dependency on volatile wholesale capital providers or single depositor blocks.
- Model the cascading effects of cross-border currency channels and sovereign debt exposures on international asset portfolios.
- Evaluate portfolio vulnerabilities to physical and transitional climate risks, focusing on carbon-intensive asset classes.
- Manage operational concentration risks stemming from shared cloud data centers, software ecosystems, and agentic fintech partners.
- Establish clear early-warning systems (EWS), comprehensive dashboard reporting lines, and transparent three-lines-of-defense risk governance across business units.

Target Audience

- Chief Risk Officers (CROs)

- Head of Credit Risk / Senior Credit Analysts
- Treasury and Asset Liability Management (ALM) Officers
- Regulatory Compliance and Reporting Managers
- Portfolio Managers and Investment Strategists.
- Internal Auditors and Risk Controllers.
- Central Bank Supervisors and Financial Regulators
- Strategic Planning and Corporate Finance Executives

Course Modules

Module 1: Foundations of Credit Concentration Risk & Single-Name Exposure

- Granular Credit Mapping.
- Connected Counterparty Identification.
- Large Exposure Frameworks
- Intra-Group Liabilities.
- Early Warning Architecture.
- Case Study: The 2023 Credit Suisse Collapse

Module 2: Sectoral & Geographic Concentration Management

- Economic Sector Correlation.
- Geographic Cluster Vulnerabilities.
- Macro-Financial Stress Mapping.
- Secondary Sector Contagion.
- Dynamic Portfolio Rebalancing.
- Case Study: The U.S. Regional Banking Crisis (SVB & Signature Bank)

Module 3: Quantitative Metrics, Analytics & Machine Learning Modeling

- Advanced Concentration Indexes.
- Machine Learning Anomaly Detection.
- Agentic AI Risk Monitoring.
- Predictive Portfolio Migration.
- Data Aggregation Infrastructure
- Case Study: Archegos Capital Management and Multi-Bank Prime Brokerage Failure

Module 4: Regulatory Capital Architecture & ICAAP Integration

- Pillar 2 Capital Requirements.
- ICAAP Stress Scenario Formulation.
- Expected Credit Loss (IFRS 9 / CECL) Modeling.
- Risk-Adjusted Return on Capital (RAROC).
- Supervisory Review Processes (SREP).
- Case Study: The 2025 European Central Bank (ECB) Commercial Real Estate (CRE) Stress Audits

Module 5: Collateral & Guarantee Concentration Risk

- Collateral Asset Class Homogeneity.
- Protection Provider Concentration.
- Wrong-Way Risk (WWR) Dynamics.
- Liquidity Haircut Calibration.

- Legal & Operational Valuation Audits
- Case Study: The Monoline Insurance Meltdown (2007-2008 Financial Crisis)

Module 6: Funding & Liquidity Concentration Risk

- Wholesale Funding Dependency.
- Depositor Aggregation Frameworks.
- Liquidity Coverage Ratio (LCR) Optimization.
- Net Stable Funding Ratio (NSFR) Structuring.
- Contingency Funding Plans (CFP).
- Case Study: Northern Rock and the Wholesale Funding Freeze

Module 7: Geopolitical, Sovereign & Sovereign-Bank Nexus Risks

- The Sovereign-Bank Domestic Loop.
- Cross-Border Currency Vulnerabilities.
- Geopolitical Conflict Scenarios.
- Emerging Market Sovereign Debt Stress.
- Global Macro Correlation Models.
- Case Study: The 2010-2012 Eurozone Sovereign Debt Crisis

Module 8: Environmental, Digital, and Emerging Frontier Risks

- Climate ESG Asset Concentrations.
- Physical Climate Risk Aggregation.
- Digital Ecosystem & Cloud Concentration
- Agentic Fintech & API Vulnerabilities.
- Model Risk Aggregation.
- Case Study: The 2024 CrowdStrike Global IT Outage & Cloud Concentration Shocks

Training Methodology

- Interactive lectures and presentations.
- Group discussions and brainstorming sessions.
- Hands-on exercises using real-world datasets.
- Role-playing and scenario-based simulations.
- Analysis of case studies to bridge theory and practice.
- Peer-to-peer learning and networking.
- Expert-led Q&A sessions.
- Continuous feedback and personalized guidance.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org or call *+254769199797*

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
23 Nov 2026	27 Nov 2026	Online	$1,000
23 Nov 2026	27 Nov 2026	Physical	$1,500
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$4,500
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$6,000

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