



Certificate Examination in Risk in Financial Services

Rules & Syllabus 2015

Introduction :

The Certificate examination in Risk in Financial Services is offered in collaboration with Chartered Institute for Securities & Investment (CISI), London.

Objective :

The objective of the course is to enable bankers to gain expertise in the area of Risk Management in Financial Services.

Structure :

The examination has two parts - one covering Indian scenario and the other dealing with the international scenario. Both the parts of examination will be conducted separately and the successful candidates will be awarded a certificate as given below :

Paper - 1 (Level - I) IIBF	+	Paper - 2 (Level - II) CISI	=	IIBF and CISI
Risk Management (Indian perspective) Two hour examination with 40 to 60 hours of study		Risk in Financial Services Two hour examination for 100 study hours		Certificate in Risk in Financial Services Awarded jointly

Examinations :

Level - I examination will be held in online mode at 21 centres at half yearly intervals on the pre-announced dates. Level - II examinations will be held in online mode only at 8 centres throughout the year (excluding Saturdays / Sundays). Candidates will have to make it convenient to appear the Level - II examination at any one of the 8 centres.

Candidates are requested to read carefully the Procedure for Applying, Rules & Syllabus for the examination for Level - I (given in pages 1 - 5) and for Level - II (given in pages 6 - 8).

Target group :

Employees of banks and financial institutions, who are members of the Institute

Eligibility :

The examination is open to Members of IIBF who are employees of banks and financial institutions.

Exemption from Level-I Examination :

Members of IIBF who have passed 1) DTIRM examination or 2) CAIIB with elective subject 'Risk Management' or 3) CAIIB holders who have passed Certificate in Risk Management as separate Elective are eligible to take Level-II examination directly without passing Level-I Examination. However they are required to register for the Level-I examination by paying the required fees of ₹2,809/- to be eligible to apply for exemption.

Candidates who are eligible for exemption as per the above criteria are required to 1) Apply for the examination by paying the fee of ₹2,809/- and 2) Send immediately a separate written request for granting exemption along with a) Copy of the acknowledgement received while applying for examination and b) copy of the Result Advice / Final certificate of the above examination/s passed to the respective Zonal Office of the Institute so as to reach the same before the last date for applying for examination. Requests received for exemption at the Zonal

Offices after the last date for applying for the examination will not be considered for granting exemption.

Subject of Examination (Level - I) :

Risk Management

Registration Fees for Examination :

	For Members of IIBF
First attempt	₹2,500/- *
Subsequent attempt	₹2,500/- *

* Plus Service Tax as applicable (Reg. No. AAATT3309DSD002)

Medium of Examination :

Examination will be conducted in English only

Pattern of Examination :

- Question Paper will contain approximately 100 objective type multiple choice questions for a total of 100 marks including questions based on case study / case-lets.
- Examination will be of 2 hours duration
- The examination will be held in Online Mode only

Periodicity and Examination Centres :

The Examination will be conducted normally twice a year in June and December on a Sunday.

For list of Centres, visit Institute's web site.

PASSING CRITERIA :

Minimum marks for pass in the subject - 50 marks out of 100 marks.

PROCEDURE FOR APPLYING FOR EXAMINATION :

Application for examination should be made online from the Institute's website www.iibf.org.in.

STUDY MATERIAL/ COURSEWARE :

The Institute has developed a courseware to cover the syllabus. Candidates are advised to make full use of the courseware and also the updates put on the IIBF website from time to time. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Hence, candidates should keep themselves updated on latest developments by going through Master Circulars issued by RBI, visiting the websites of organizations like RBI, SEBI, BIS, IBA etc. The Institute has published study books to facilitate study and will be available at outlets / showrooms / distributors of M/s. Macmillan Publishers India Ltd.

The price of the book and detailed list of outlets is mentioned below.

Candidates may purchase directly from outlets / showrooms / distributors of M/s. Macmillan Publishers India Ltd. Candidates who purchase books directly from outlets of publishers will be offered a discount of 20% on the price of the book. Candidates desirous of purchasing books by post will not be offered any discount. However, the postage will be borne by publishers. Candidates would be required to end their indent to publishers' outlet along with a Demand Draft for the cost of books. The Demand Draft should be drawn in favour of M/s. Macmillan Publishers India Ltd. (No cheques will be accepted). Candidates are requested NOT to send any request for the purchase of books to the Institute's Zonal Offices / Corporate Office.

Name of the Book	Price
RISK MANAGEMENT - M/s. Macmillan Publishers India Ltd. (For the Subject Risk Management - CAIIB elective)	₹450/-

ADDRESSES OF MACMILLAN PUBLISHERS INDIA LTD.**BRANCHES & SHOWROOMS****New Delhi**

2/10 Ansari Road, Daryaganj,
New Delhi-110002
Phone : (011) 23273624 / 23273814 /
47972200
E-mail : mildel@macmillan.co.in

Kolkata

Unit No 302, L&T Chambers,
(3rd Floor), 16 Camac Street,
Kolkata-700017
Phone : (033) 22834481-5
E-mail : milcal@macmillan.co.in

Chennai

21 Patullos Road, Chennai-600002
Phone : (044) 28520646 / 30915100
E-mail : rnilmads@macmillan.co.in

Bhopal

76 Malviya Nagar, TT Nagar, Bhopal-462003
Phone : (0755) 2553895 / 2576029
E-mail : milbho@macmillan.co.in

Chandigarh

First Floor, SCO 91, Sector 44 C,
Chandigarh-160047
Phone : (0172) 2611561/ 5088291
Email : milchd@macmillan.co.in

Cuttack

Maitree Vihar, Link Road, Cuttack-753012
Phone : (0671) 2311979 / 2331979
E-mail : milcut@macmillan.co.in

Guwahati

S. C. Goswami Road,
Pan Bazar, Guwahati-781001
Phone : (0361) 2516564 / 2633529
E-mail : milguw@macmillan.co.in

Jaipur

B-48 Sahkar Marg, Opp. Imliwala Phatak,
Lai Kothi Scheme, Jaipur - 302015
Phone : (0141) 2741308
E-mail : miljai@macmillan.co.in

Lucknow

17/1, Mudra Building,
Madan Mohan Malviya Marg,
Lucknow-226001
Phone : (0522) 2209780 / 2208810
E-mail : milluc@macmillan.co.in

Mumbai

404, Antariksh, Makwana Road,
Off. Marol Maroshi Road, Marol,
Andheri East, Mumbai-400059
Phone : (022) 42152803/ 04
E-mail : mumvpo@macmillan.co.in

Mumbai

Mercantile House, Magazine Street,
Reay Road (East), Mumbai-400010
Phone : (022) 23724401 / 23726017 /
23741423

Nagpur

G9-11, Achraj Towers- II, Chhaoni,
Nagpur-440013
Phone : (0712) 2593103 / 2552595
E-mail : milngp@macmillan.co.in

Patna

Sinha Kothi, Sinha Library Road, Patna-001
Phone : (0612) 2232550 / 2224348
E-mail : milpat@macmillan.co.in

Pune

Plot no.17, 1st floor,
Swastishree Co-op Hsg. Society Ltd.,
Ganesh Nagar, Karve Nagar, Pune-411052
Phone : (020) 25420321 / 22
E-mail : milpun@macmillan.co.in

Bangalore

Jaico Publishing House, 14/1,
1st Main Road, 6th Cross,
Gandhi Nagar, Bangalore-560009
Phone : 080-22267016 / 22257083
E-mail : bangalore.sales@jaicobooks.com

The BOOKWORM - Good Books Great Prices

No. 80/1, Shrunghar Shopping Complex,
M. G. Road, Bangalore-560001
Phone : (080) 40913205, Mob. 9854076757
E-mail : kris.bookworm@gmail.com

The BOOKWORM - Good Books Great Prices

No. 32 Basement, Brigade Road,
Cross Brigade Rd., Below Prabhu Digitals,
Bangalore-560001
Phone : (080) 41126755, Mob. 9845076757
E-mail : krishana_ruk@yahoo.com

E. R. Manoharan

UBS Publisher's & Distributors Pvt. Ltd.,
No. 148, Mysore Road, Bangalore-560026
Phone : (080) 26756671-73
E-mail : manohar@bngm.ubspd.com

Madurai

M/s. Selvi Book, Shop. 92, Nethaji Road,
Near New Arya Bhavan Signal,
Madurai-625001.
Phone : (0452) 4380169 / 2343510
E-mail : selvibookshop@yahoo.com

Trichy

M/s. Golden Book House, No. 5, First Floor,
Vignesh Aparna, New Bishop Heber Colleg,
Vayalur Road, Puthoor, Trichy-620017
E-mail : goldenbookhouse1@gamil.com

Tanjore

M/s. Sri Murugan Publications,
Raja Rajan Vanigga Valaga Arangam,
Southrampet, Tanjore-613001
Phone : (04362) 272922 / 272168

Palayamkottai

M/s. Eagle Book Centre, 168 Trivandrum
Road, Opp to VOC Ground,
Palayamkottai-627002
Phone : (0462) 2578899

Trichy

M/s. International Books, 76,
Nandhi Koil Street, Trichy-620002
Phone : (0431) 2703743
E-mail : intbok@yahoo.co.in,
ntbok@gmail.com

CONTACT PROGRAMMES

IIBF will arrange contact classes subject to availability of sufficient candidates in select centres across the country. For further details candidates may get in touch with Zonal Office or logon to the Institute's website www.iibf.org.in.

SYLLABUS

The details of the prescribed syllabus are furnished below. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the Examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various topics of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to change the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

Syllabus

Paper - 1 : Risk Management

Module - A : An overview

- a) Risk - definition, policies
 - Risk Process-Risk Organization
 - Key risks-Credit risk, market risk, operational risk, liquidity risk, legal risk, interest rate risk and currency risk
- b) Asset Liability Management
 - ALM Concept
 - ALM Organization
 - ALCO techniques / tools
 - Simulation, Gap, Duration analysis, Linear and other statistical methods of control
- c) Risk Measurement & Control
 - Calculation
 - Risk exposure analysis
 - Risk management / mitigation policy
 - Risk immunization policy / strategy for fixing exposure limits
 - Risk management policy and procedure
 - Risk adjusted return on capital
- d) Risk management
 - Capital adequacy norms
 - Prudential norms
 - Exposure norms
 - Concept of Mid office
 - Forwards
 - Futures

- Options
- Strategies and Arbitrage opportunities
- Regulatory prescriptions of risk management

Module - B : Credit Risk Management

- Introduction
- Basel-I
- Three pillars of Basel-II and Capital for Operational risk
- Frame work for risk management
- RBI guidelines on risk management
- Risk rating and risk pricing
- Methods for estimating capital requirements
- Credit risk - standardized approach
- Credit risk - advanced approach
- Credit rating / credit scoring and rating system design
- Credit Bureaus
- Stress test and sensitivity analysis
- Internal Capital Adequacy Assessment Process (ICAAP)
- Introduction to structured products

Module - C : Operational Risk

- Introduction, Basel-I & II
- RBI guidelines
- Likely forms of operational risk and causes for significant increase in operational risk
- Sound Principles of Operational Risk Management (SPOR)
- SPOR - organizational set up and key responsibilities of ORM
- SPOR - policy requirements and strategic approach for ORM
- SPOR identification, measurement, control / mitigation of operational risks
- Capital allocation for operational risk, methodology, qualifying criteria for banks for the adoption of the methods
- Computation of capital charge for operational risk

Module - D : Market Risk

- Introduction and definition
- Prescriptions of Basel-I and II
- Liquidity risk
- Interest rate risk
- Foreign exchange risk
- Price risk (Equity)
- Commodity risk
- Treatment of market risk under Basel
 - a) Standardized duration method
 - b) Internal measurement approach - VaR

Basel-III guidelines

- Risk Management Policy - ALCO structure and functions.

Rules / Syllabus for Level - II Examination (CISI, London)

As regards Paper 2 (Level - II) Examination the rules / syllabus, courseware, venue and other details will be provided directly by CISI, London to all the enrolled candidates for the Paper 2 examination, after passing the Level - I as stipulated earlier. The general information regarding rules / syllabus as provided by CISI is reproduced here which is subject to changes as per their rules / syllabus of CISI.

Subject of Examination (Level - II) :

Paper - 2 : Risk in Financial Services

Registration / Examination Fees :

(For Members of IIBF under the collaboration arrangement)	
1 st attempt	£100 (Including Registration fee)
2 nd attempt	£50 (During the continuation of the syllabus)
Subsequent attempt/s as per the rules of CISI.	

Candidates who have registered for Level - II CISI examination and wish to reschedule the examination are allowed 1 free reschedule, provided they inform CISI, 14 days prior to the exam date. Any further rescheduling will be charged as per CISI rules.

Pattern of Question Paper for Level - II :

Paper-2 Question Paper will contain 100 multiple-choice objective type questions for 100 marks.

Mode and Centres for Examination :

Examination will be conducted in online mode only at Prometric test centres currently in 8 cities viz., Mumbai, Chennai, Bangalore, Kolkatta, Hyderabad, Gurgaon, Ahmedabad and Thiruvananthapuram.

Duration of Examination :

Paper 2 - Examination will be of 2 hour duration.

Periodicity of Examination:

The Examination is conducted throughout the year except Saturday and Sunday.

Passing criteria :

Passing marks for paper- 2 subject is 70%

Delivery :

The program is delivered through soft copy of study material in PDF format.

Syllabus for examination – Level - II

Paper - 2 : Risk in Financial Services

1. Principles of Risk Management
2. International Risk Regulation
3. Operational Risk
4. Credit Risk
5. Market Risk
6. Investment Risk
7. Liquidity Risk
8. Corporate Governance and Risk Oversight
9. Model Risk

10. Enterprise Risk Management (ERM) -

(Supported by specially designed courseware which is supplied by e-copy to all enrolled candidates as part of the fee by CISI directly)

PROCEDURE FOR APPLYING FOR EXAMINATION (Level - II) :

IIBF will provide a list of candidates, who have passed the Level - I examination / granted exemption based on prior qualification and eligible to apply for Level - II examination to CISI periodically. CISI will inform those candidates directly the procedure / guidance for the registration for Level - II examination. Candidates can also contact CISI for guidance on the contact no. and e-mail provided on the trailing pages under course structure and delivery, if needed.

This procedure has to be followed to avail of the special examination fee applicable to IIBF Members under the collaboration arrangements.

Course Structure and Delivery :

Certificate in Risk in Financial Services examination is having 2 parts viz. Level-I examination by IIBF and Level-II Examination by CISI, London. The steps in completing the course are as under :

1. Apply for Level-I examination to IIBF :

Institute will accept application up to a certain period before the dates of announced exams.

- Members of IIBF who have completed the DTIRM examination or those who have passed CAIIB with elective subject 'Risk Management' or CAIIB holders who have passed Certificate in Risk Management as separate Elective are eligible to take the CISI examination (Level - II) directly without passing Level - I Examination. However they are required to register for the Level - I examination by paying the required fees of ₹2,809/- to IIBF to be eligible for the Level - II examination.
- Candidates who are eligible for exemption as per the above criteria are required to send a separate request for granting exemption along with a copy of the Result Advice / Final certificate of the above examination/s passed to the respective Zonal Office of the Institute immediately after applying for the examination so as to reach the Zonal Office before the last date for applying for examination for which candidate has applied.

2. Examination (Level - I) :

Candidates will have to appear for the online examination conducted by IIBF (Multiple Choice Objective Type Questions) and pass the examination, in case not eligible for exemption.

For further information contact / e-mail

Tel. : 022 - 2503 9746 / 2503 9604 / 2503 9907 e-mail : naik@iibf.org.in

Indian Institute of Banking & Finance, 2nd Floor, Tower-I, Commercial-II, Kohinor City, Kirol Road, Kurla (W), Mumbai - 400 070.

or

Zonal Offices at :

Mumbai - iibfwz@iibf.org.in

Delhi - iibfnz@iibf.org.in

Chennai - iibfsz@iibf.org.in

Kolkatta - iibfez@iibf.org.in

3. Apply for Level - II examination of CISI :

- Candidates who have passed the Level - I examination or Granted exemption for the same by IIBF can only apply for Level - II examination (southasia.office@cisi.org)

For further information / Registration (CISI)

The CISI Indian Liaison Office

southasia.office@cisi.org

Tel. : 022 - 4221 9400

804 - Meadows, Sahar Plaza, Near JB Nagar Metro station, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059, India.

Award of Certificate :

On passing of both Level - I and Level - II examination, candidates will be awarded certificate having passed "Certificate Examination in Risk in Financial Services" jointly by IIBF and CISI. No separate certificate will be issued on passing Paper-I alone.

About CISI, London

The Chartered Institute for Securities & Investment (CISI) is the largest and most widely respected professional body for those who work in the securities and investment industry in UK and in a growing number of financial centers globally. Evolved from the London Stock Exchange they now have more than 40,000 members in 89 countries. In the past year, they have offered examination to 39,000 candidates in 68 countries, covering a range of vocational qualifications.

Web Site : www.cisi.org

COURSES OF IIBF

A. Flagship Courses (for Members*)

- ☞ JAIB
- ☞ CAIB
- ☞ Diploma in Banking & Finance (Only for Non-Members)

B. Specialised Diploma Courses (for Members* and Non-Members**)

- ☞ Diploma in Treasury, Investment and Risk Management
- ☞ Diploma in Banking Technology
- ☞ Diploma in International Banking and Finance
- ☞ Advanced Diploma in Urban Co-operative Banking
- ☞ Diploma in Commodity Derivatives for Bankers
- ☞ Advanced Wealth Management Course
- ☞ Diploma in Home Loan Advising

C. Certificate Courses (for Members* and Non-Members**)

- ☞ Certificate in Trade Finance
- ☞ Certified Information System Banker
- ☞ Certificate in Anti-Money Laundering / Know Your Customer
- ☞ Certificate in Quantitative Methods for Bankers
- ☞ Certificate in Credit Cards for Bankers
- ☞ Certificate Examination in Banking Oriented Paper in Hindi
- ☞ Certificate Examination in SME Finance for Bankers
- ☞ Certificate Examination in Customer Service & Banking Codes and Standards
- ☞ Certificate Examination in CAIB - Elective Subjects
- ☞ Certificate Examination in Basics of Banking / Credit Card Operations / Functions of Banks for employees of IT Companies
- ☞ Certificate Course for Business Correspondents / Business Facilitators
- ☞ Certificate Examination for Debt Recovery Agents
- ☞ Certificate Examination in IT Security
- ☞ Certificate Examination in Rural Banking Operations for RRB Staff
- ☞ Certificate Examination in Prevention of Cyber Crimes and Fraud Management
- ☞ Certificate Examination in Foreign Exchange Facilities for Individuals
- ☞ Certificate Examination in Microfinance

D. Specialised Blended Certificate Courses

- ☞ Certified Bank Trainer
- ☞ Certified Banking Compliance Professional
- ☞ Certified Credit Officer
- ☞ Certified Treasury Dealer
- ☞ Project Finance Management with IFMR, Chennai

E. Management Courses

- ☞ Advanced Management Program
- ☞ CAIB linked MBA with IGNOU.

Educational support :

- ☞ Publishing specific courseware for each paper / examination and Workbooks etc.
- ☞ Classroom learning through Accredited Institutions, Video Classes, e-learning through Portal, Contact Classes or Campus Training - Model Questions and subject updates on the net

Other activities :

- ☞ Research, Seminars, Conferences, Lectures, etc.
- ☞ Publications of books, Daily e-newsletter, monthly newsletter and quarterly journal
- ☞ Training & Consultancy and Financial Education

* Members are employees of Banks and Financial Institutions who have enrolled as members of IIBF.

** Non-Members are eligible candidates for each course / examination without IIBF Membership.

The Rules & Syllabus and other information pertaining to the examinations are available with Institute's Offices at Mumbai, Chennai, New Delhi, Kolkata and also at such other centers / offices as may be notified from time to time. The same is also available at our website www.iibf.org.in.

ADDRESSES FOR CONTACT

Corporate Office :

Indian Institute of Banking & Finance
Kohinoor City, Commercial-II, Tower-1, 2nd Floor,
Kiroli Road, Kurla (West), Mumbai - 400 070
Tel : 022-2503 9746 / 9604 / 9907 Fax : 022-2503 7332
E-mail : iibfgen@bom5.vsnl.net.in

Northern Zonal Office :

Indian Institute of Banking & Finance
109-113, Vikrant Towers, 1st Floor,
4, Rajendra Place, New Delhi - 110 008
Tel. : 91-011-2575 2191/92
Fax : 91-011-2575 2193
E-mail : iibfnz@iibf.org.in

Southern Zonal Office :

Indian Institute of Banking & Finance
No.94, Jawaharlal Nehru Road,
(100 Feet Road), Opp. Hotel Ambica
Empire, Vadapalani, Chennai - 600 026
Tel. : 044-2472 2990/2472 7961
Fax : 044-2472 6966
E-mail : iibfsz@iibf.org.in

Western Zonal Office :

Indian Institute of Banking & Finance
191-F, Maker Towers, 19th Floor,
Cuffe Parade, Mumbai - 400 005
Tel. : 022-2218 3302 / 2218 5134
Fax : 022-2218 0845
E-mail : iibfwz@iibf.org.in

Eastern Zonal Office :

Indian Institute of Banking & Finance
408, 'Anandlok', 'A' Block, 4th Floor,
227, Acharya J. C. Bose Road,
Kolkata - 700 020
Tel. : 033-2280 9681/82/83
Fax : 033-2280 9680
E-mail : iibfez@iibf.org.in