

Training in Financial Risk Management...

By Margaret Ferns

In an increasingly complex and interdependent world of financial markets and products as well as in the context of new regulatory requirements (Basel II), efficient risk control and management is a crucial element which can determine the fate of a company and its investors.

Therefore, for the fourth time, the IFBL (the Banking Training Institute of Luxembourg) and PRiM (Association of Risk Management in Luxembourg) have joined their efforts in order to propose a high level training programme in Financial Risk Management. The purpose of this five-day seminar is to provide an overview of advanced techniques in financial risk management. It will cover market, credit, operational risk, and integrated risk management, as well as complex issues facing risk managers in financial institutions. The format will involve a mix of presentations, spreadsheet examples and FRM exam questions. At the same time, the seminar will provide a preparation to the FRM examination administered on November 18th.

...with the industry's top experts

One of the lecturers responsible for the joint IFBL/PRiM training programme is Professor Philippe Jorion. Philippe Jorion is Chancellor's Professor of Finance at the School of Business at the University of California at Irvine. He has taught at UC-Berkeley, Columbia University, Northwestern University, the University of Chicago, and the University of British Columbia. He holds an M.B.A. and a Ph.D. from the University of Chicago, and a degree in engineering from the Université Libre de Bruxelles and he has written more than eighty

publications directed to academics and practitioners on the topics of risk management and international finance. Professor Jorion has also written a number of books, including *Value at Risk: The New Benchmark for Managing Financial Risk*, aimed at finance practitioners and which has become a best-seller in its field. The Professor has also written the *Financial Risk Manager Handbook* to support the annual examination administered by the Global Association of Risk Professionals.

There is no doubt that the Professor's vast knowledge of the subject of credit risk management is invaluable to risk professionals, and even less doubt that if ever there was time when credit risk expertise was in demand, it is now. The problem is that risk management is a relatively young profession in Luxembourg, which makes sound training absolutely essential. Jorion told BR recently that, "Although I have met experienced risk managers in Luxembourg, additional training in risk management would be highly beneficial for finance professionals."

PRiM at the leading edge in RM training

The training currently offered by PRiM and the IFBL is aimed at those persons specialising in the field of finance and / or risk management: risk managers, treasurers and traders, risk ana-

lysts, portfolio managers etc. The entry requirements for the training state, "Participants in the seminar should have had prior exposure to quantitative methods, derivatives and fixed income markets. At a minimum, they should have taken the equivalent of an investment class in a conventional MBA program." So we really are talking high level here, but about a more intermediate level for those familiar with the subject but perhaps not yet expert?

"Training should be adapted to the use of risk management," said Jorion. "Some people simply need an overview, others need more in-depth training. Certainly, those in a risk management function need high level training, but, as I mentioned before, additional training in risk management would be beneficial to all finance professionals; especially in the light of current market turbulences." He continued that, "This RM training should be provided by people who know the techniques and understand the strengths and weaknesses of different approaches," adding that, "Luxembourg is at the leading edge in this field, thanks to the leadership provided by PRiM. The organization was one of the first ones to be organized in this field in Europe, and provides a rich program of training and conferences."

The Professor himself will be in Luxembourg to deliver some of the training planned for October.

Enrolment to be taught by one of the world's finest should be done by 1 September. For detailed course information and how to sign up: www.prim.lu, www.ifbl.lu

REMINDER - JUNE 25TH - PEOPLE RISK CONFERENCE

Designed to attract senior business management, risk professionals and human resources specialists, this is a unique look at the all-too-human risks that businesses face but which are so often placed behind other operational risks such as systems and processes. With speakers covering recruitment risk, personal health risk, fraud and the people risk aspect of change management, the conference will also be addressed by Minister François Biltgen, Ministre de la Culture, de l'Enseignement supérieur et de la Recherche. The event will also include a panel discussion with local specialists covering this broad range of subjects, chaired by John Li, Chairman of KPMG, Luxembourg. CHAMBRE DE COMMERCE, 7 rue Alcide de Gasperi, L-2981 Luxembourg
Time: 09:00 - 14:00 (includes cocktail & buffet lunch)
Registration by e-mail: people-risk-conference@prim.lu