RMFE
Risk Management and Financial Engineering Lab

Risk Management and Financial Engineering Lab

University of Florida, Gainesville, FL

and

RiskTraining

Bruckmuehl, Germany

Workshop

Integrated Risk-Return Management:

New Approaches to Management of Bank Portfolios

Foundations and Applications
of Innovative Risk Measurement Instruments

- ✓ **New Risk Measures (VaR, CVaR, CDaR) for the Bank Portfolio**
- ✓ **Bank-wide Integrated Risk Measurement and Capital Allocation**
- ✓ **Integration of Risk- and Return Management**
- ✓ **Risk-Return Portfolio Optimization of the Bank Portfolio**
- ✓ **Integration of Regulatory and Internal Risk Management**

March 3-4, 2003, University of Florida, Gainesville FL

Information Hotline: **Tel: (352) 2223082, E-mail: krokhmal@ufl.edu**

WEB site: http://www.ise.ufl.edu/rmfe/events/ws2003/

By attending this Workshop you will gain

- An understanding of innovative concepts of integrated risk-return management,
- An experience in new risk measures, including, Conditional Value-at-Risk (CVaR) and Conditional Drawdown-at-Risk (CDaR),
- The knowledge of new methods of risk measurement and capital allocation that are appropriate for banks and other financial institutions,
- The ability to develop the conceptual framework and a consistent key ratio system for an integrated risk-return management of a portfolio,
- Insight into algorithms for finding risk-return optimum portfolios accounting for loss risk limitations from internal and regulatory points of view.

Who should attend

The workshop is directed towards members of risk management groups as well as of financial controlling divisions, consultants and advisors active in providing services to financial institutions. It is also of interest to academics, who want to get an insight into the practical implementation of new concepts of risk and bank management.

Assumed Knowledge / Workshop Level:
The workshop level is intermediate. A basic understanding of capital markets and risk management is assumed as well as basic financial mathematics.

Workshop Referees

Prof. Stanislav Uryasev at the University of Florida, is the director of the Risk Management and Financial Engineering (RMFE) Lab. His research is focused on the development of efficient computer modeling and optimization techniques and their applications in finance, including: risk management, portfolio optimization and optimal trading strategies. He holds a Ph.D. degree in applied mathematics from Glushkov Institute of Cybernetics, Ukraine. He has published three books (monograph and two edited volumes) and more than seventy research papers. For additional information, see personal site http://www.ise.ufl.edu/uryasev and site of the RMFE Lab., http://www.ise.ufl.edu/rmfe.

Dr. Ursula A. Theiler, Risk Training, CEO, is a professional training consultant who has conducted numerous trainings of financial institutions and companies related to bank and risk management. Dr. Ursula A. Theiler holds a Doctorate Degree of the Banking Business Department of the Ludwig-Maximilians-University of Munich, Germany. For additional information, see personal site http://www.ursula-theiler.de and Risk Training site http://www.risk-training.org/.

Workshop Agenda

Day 1 Theoretical Foundations of Innovative Risk Measurement Instruments: Value-at-Risk, Conditional Value-at-Risk (CVaR) and Drawdown

Objective:

Learn foundations of recent risk management concepts:

- Value-at-Risk (VaR): pros and cons,
- Definition of Conditional Value-at-Risk (CVaR) and basic properties,
- Risk management with CVaR functions,
- Drawdown management: Conditional Drawdown-at-Risk (CDaR).

Contents:

- VaR risk management concept: advantages and pitfalls,
- CVaR is a coherent risk measure: approximately averages worst x% losses,
- CVaR versus VaR comparative analysis,
- CDaR is average of worst x% portfolio drawdowns (e.g., worst 3 drawdowns).

Examples and Practical Exercise:

Optimization of portfolio of bonds, equities, and futures; hedging of portfolio of options, portfolio replication.

Day 2 Applications of Innovative Risk Measurement Instruments: Integrated Risk-Return Management of the Bank Portfolio

Objective:

Get a basic understanding of

- Innovative concepts of bank-wide risk measurement and capital allocation,
- New approaches of an integrated portfolio management of the bank portfolio.

Contents:

- Integrated perspective of risk and return management of the bank portfolio,
- New concepts of integrated bank wide risk measurement and capital allocation,
- Risk-return optimization of the bank portfolio with internal and regulatory loss risk limitations,
- Consistent framework of Risk Adjusted Performance Measurement and bank-wide system of efficient risk-return key ratios.

Examples and Practical Exercise:

Examples of implementation of the risk-return measurement and management of a simplified bank portfolio.

Workshop Program

Day 1: March 3, 2003

8:30 – 9:00 am	Registration at DoubleTree Conference Center
9:00 – 12:00 am lunch time 12:00 am – 1:00 pm 1:00 pm – 4:00 pm	**Theoretical Foundations of Innovative Risk Measurement Instruments:** **Value-at-Risk, Conditional Value-at-Risk (CVaR) and Drawdown** Prof. Stanislav Uryasev, Risk Management and Financial Engineering Lab, University of Florida, Gainesville FL, USA
4:15 pm – 5:15 pm	Guided Walk on Beautiful UF Campus to Lake Alice
6:00 pm – 8:00 pm	Workshop Dinner

Day 2: March 4, 2003

9:00 am – 12:30 am lunch time 12:30 am – 1:30 pm 1:30 pm – 6:00 pm	**Applications of Innovative Risk Measurement Instruments:** **Integrated Risk-Return Management of the Bank Portfolio** Dr. Ursula A. Theiler, Risk Training, Bruckmuehl, Germany
6:00 pm	End of the Workshop

Take the opportunity of combining attendance of a challenging wokshop on actual issues of bank risk management with a week's stay at a nice location, enjoy beauty of the region and UFL campus at Gainesville.

Registration Form

Mail:
University of Florida, PO Box 116595,
Workshop: Integrated Risk-/Return Management, March 2003
(Attn: S. Uryasev)
303 Weil Hall, Gainesville, FL 32611-6595

Call: (352) 2223082
Fax: (352) 3923537
E-Mail: krokhmal@ufl.edu
WEB: www.ise.ufl.edu/rmfe/events/ws2003/

Name / Title		
Job Title Department		
Company / Organization		
E-Mail (required)		
Address		
City	State / Province	ZIP
Country		
Phone	Fax	

☐ Please register me for the Workshop "Integrated Risk-/Return Management", March 3 – 4, 2003.

Regular Fee: $500 USD; Government and Academic Fee: $350 USD.

Team discount (2 or more persons paying regular fee): deduct $100 per person.

☐ Check enclosed: payable to the University of Florida Research Foundation.

Additional Information

Location

The workshop will take place at the DoubleTree Hotel & Conference Center, University of Florida,

1714 SW 34th Street, Gainesville, FL 32607, USA,
http://www.doubletree.com (Hotel quick search: city=“Gainesville”, state=”Florida”)

Registration

From 8.00 to 9:00 a.m. on March 3, 2003, at the Reitz Union, 282 Lecture Hall.

Workshop Materials

The participants will receive a file with materials, containing slides of the presentations, as well as practical exercises and reference lists.

Accommodations:

DOUBLETREE Hotel & Conference Center, University of Florida,
1714 SW 34th Street, Gainesville, FL 32607, USA,

Block of rooms is reserved for the participants of the Risk Management Workshop and Conference March 3-7, 2003 (US $92) If this rate is not available, request the special College of Engineering rate (US $94; just say "Orange", mention the college code "ENG"). Reservations must be made no later than Sunday, February 9, 2003.

Fee:

The registration fee covers seminar materials, refreshments, continental breakfasts and lunches. Fee must be paid 15 working days in advance by check (US Dollars) or by cash upon arrival.

Cancellation policy:

Cancellations and transfers are accepted without charge if written notification is received at least 10 days prior to starting of the workshop.