Postgraduate Certificate in Risk Management for Central Banks (Bangladesh)

Strategic Risk Management

Absolute Risk is the probability of an event occurring that can have a negative impact on an organization, it is a concept used in Strategic Risk Management to identify and assess potential risks, related terms include Relative Risk and Residual Risk, Absolute Risk is used to determine the likelihood and potential impact of a risk, allowing organizations to prioritize and mitigate risks accordingly, for example, a central bank may use Absolute Risk to assess the probability of a cyberattack on its financial systems.

Acceptable Risk is the level of risk that an organization is willing to accept or tolerate, it is a concept used in Strategic Risk Management to determine the level of risk that is acceptable to an organization, related terms include Risk Appetite and Risk Tolerance, Acceptable Risk is used to guide decision-making and ensure that risks are managed effectively, for example, a central bank may determine that a certain level of credit risk is acceptable in order to achieve its monetary policy objectives.

Asset Liability Management is the process of managing an organization's assets and liabilities to achieve its financial objectives, it is a concept used in Strategic Risk Management to manage interest rate risk, liquidity risk, and other financial risks, related terms include Asset Management and Liability Management, Asset Liability Management is used to ensure that an organization's assets and liabilities are aligned with its financial objectives, for example, a central bank may use Asset Liability Management to manage its foreign exchange reserves.

Audit Committee is a committee that oversees an organization's audit function, it is a concept used in Strategic Risk Management to ensure that an organization's risk management practices are effective, related terms include Audit Risk and Internal Audit, Audit Committee is used to provide assurance that an organization's financial statements are accurate and reliable, for example, a central bank may have an Audit Committee to oversee its internal audit function and ensure that its financial statements are accurate and reliable.

Bank for International Settlements is an international organization that promotes financial stability and cooperation among central banks, it is a concept used in Strategic Risk Management to establish international standards for risk management, related terms include Basel Accords and Financial Stability Board, Bank for International Settlements is used to provide a framework for central banks to manage risks and maintain financial stability, for example, a central bank may use the Bank for International Settlements' guidelines to implement Basel III capital requirements.

Basel Accords are international agreements that establish capital requirements for banks, it is a concept used in Strategic Risk Management to manage credit risk, market risk, and operational risk, related terms include Basel I, Basel II, and Basel III, Basel Accords are used to ensure that banks have sufficient capital to absorb potential losses, for example, a central bank may require banks to maintain a minimum capital adequacy ratio of 10%.

Business Continuity Management is the process of managing an organization's business operations to ensure continuity in the event of a disruption, it is a concept used in Strategic Risk Management to manage operational risk, related terms include Business Continuity Plan and Disaster Recovery Plan, Business Continuity Management is used to ensure that an organization can continue to operate in the event of a disruption, for example, a central bank may have a Business Continuity Plan to ensure that it can continue to provide liquidity to the financial system in the event of a natural disaster.

Business Impact Analysis is the process of analyzing an organization's business operations to identify potential risks and impacts, it is a concept used in Strategic Risk Management to identify and assess potential risks, related terms include Business Continuity Management and Risk Assessment, Business Impact Analysis is used to identify critical business processes and assess the potential impact of a disruption, for example, a central bank may conduct a Business Impact Analysis to identify the potential impact of a cyberattack on its financial systems.

Capital Adequacy Ratio is the ratio of a bank's capital to its risk-weighted assets, it is a concept used in Strategic Risk Management to manage credit risk and market risk, related terms include Basel Accords and Risk-Weighted Assets, Capital Adequacy Ratio is used to ensure that banks have sufficient capital to absorb potential losses, for example, a central bank may require banks to maintain a minimum capital adequacy ratio of 12%.

Central Bank is a national bank that manages a country's monetary policy, it is a concept used in Strategic Risk Management to manage inflation, interest rates, and financial stability, related terms include Monetary Policy and Financial Stability, Central Bank is used to promote financial stability and maintain public confidence in the financial system, for example, a central bank may use monetary policy tools to manage inflation and maintain financial stability.

Compliance Risk is the risk of non-compliance with laws and regulations, it is a concept used in Strategic Risk Management to manage regulatory risk, related terms include Regulatory Risk and Compliance Management, Compliance Risk is used to ensure that an organization is in compliance with all relevant laws and regulations, for example, a central bank may have a Compliance Department to ensure that it is in compliance with anti-money laundering regulations.

Contingent Liability is a potential liability that may arise in the future, it is a concept used in Strategic Risk Management to manage potential risks, related terms include Contingent Asset and Off-Balance-Sheet Item, Contingent Liability is used to identify and assess potential liabilities that may arise in the future, for example, a central bank may have a contingent liability for a loan guarantee program.

Credit Risk is the risk of default by a borrower, it is a concept used in Strategic Risk Management to manage lending risk, related terms include Credit Score and Credit Rating, Credit Risk is used to assess the likelihood of a borrower defaulting on a loan, for example, a central bank may use Credit Risk models to assess the creditworthiness of a bank or a corporation.

Crisis Management is the process of managing an organization's response to a crisis, it is a concept used in Strategic Risk Management to manage crisis situations, related terms include Crisis Plan and Emergency Response Plan, Crisis Management is used to ensure that an organization can respond effectively to a crisis, for example, a central bank may have a Crisis Management Plan to respond to a financial crisis.

Data Quality is the accuracy and reliability of an organization's data, it is a concept used in Strategic Risk Management to manage data risk, related terms include Data Management and Data Governance, Data Quality is used to ensure that an organization's data is accurate and reliable, for example, a central bank may have a Data Quality Framework to ensure that its financial data is accurate and reliable.

Decision-Making is the process of making decisions that affect an organization's strategy and operations, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Assessment and Risk Management, Decision-Making is used to make informed decisions that take into account potential risks and opportunities, for example, a central bank may use Decision-Making frameworks to make decisions about monetary policy.

Disaster Recovery Plan is a plan that outlines an organization's response to a disaster, it is a concept used in Strategic Risk Management to manage operational risk, related terms include Business Continuity Plan and Emergency Response Plan, Disaster Recovery Plan is used to ensure that an organization can recover from a disaster, for example, a central bank may have a Disaster Recovery Plan to recover from a cyberattack or a natural disaster.

Economic Capital is the amount of capital that an organization needs to absorb potential losses, it is a concept used in Strategic Risk Management to manage credit risk and market risk, related terms include Regulatory Capital and Risk-Weighted Assets, Economic Capital is used to ensure that an organization has sufficient capital to absorb potential losses, for example, a central bank may require banks to hold a minimum amount of economic capital.

Enterprise Risk Management is a holistic approach to managing an organization's risk, it is a concept used in Strategic Risk Management to manage risk across the organization, related terms include Risk Management and Strategic Management, Enterprise Risk Management is used to identify, assess, and mitigate risks across the organization, for example, a central bank may use Enterprise Risk Management to manage risks related to monetary policy, financial stability, and regulatory compliance.

External Audit is an audit conducted by an external auditor, it is a concept used in Strategic Risk Management to ensure that an organization's financial statements are accurate and reliable, related terms include Internal Audit and Audit Committee, External Audit is used to provide assurance that an organization's financial statements are accurate and reliable, for example, a central bank may have an External Audit to ensure that its financial statements are accurate and reliable.

Financial Institution is an organization that provides financial services, it is a concept used in Strategic Risk Management to manage financial risk, related terms include Bank and Insurance Company, Financial Institution is used to manage financial risk and maintain financial stability, for example, a central bank may regulate and supervise financial institutions to ensure that they are stable and sound.

Financial Stability is the condition of a financial system that is stable and functioning well, it is a concept used in Strategic Risk Management to manage financial risk, related terms include Financial Stability Board and Macroprudential Policy, Financial Stability is used to promote financial stability and maintain public confidence in the financial system, for example, a central bank may use macroprudential policy tools to promote financial stability.

Governance is the system of rules and practices that an organization uses to manage itself, it is a concept used in Strategic Risk Management to manage risk, related terms include Corporate Governance and Risk Governance, Governance is used to ensure that an organization is managed effectively and that risks are managed, for example, a central bank may have a Governance Framework to ensure that it is managed effectively and that risks are identified and mitigated.

Internal Audit is an audit conducted by an organization's internal audit function, it is a concept used in Strategic Risk Management to ensure that an organization's risk management practices are effective, related terms include External Audit and Audit Committee, Internal Audit is used to provide assurance that an organization's risk management practices are effective, for example, a central bank may have an Internal Audit function to ensure that its risk management practices are effective and efficient.

Internal Control is a process or system that an organization uses to manage its risk, it is a concept used in Strategic Risk Management to manage risk, related terms include Internal Control Framework and Risk Management, Internal Control is used to ensure that an organization's risk management practices are effective, for example, a central bank may have an Internal Control Framework to ensure that its risk management practices are effective and efficient.

International Financial Reporting Standards are a set of accounting standards that are used globally, it is a concept used in Strategic Risk Management to ensure that financial statements are accurate and reliable, related terms include Financial Reporting and Accounting Standards, International Financial Reporting Standards are used to ensure that financial statements are accurate and reliable, for example, a central bank may require banks to use International Financial Reporting Standards to ensure that their financial statements are accurate and reliable.

Liquidity Risk is the risk that an organization will not have sufficient liquidity to meet its obligations, it is a concept used in Strategic Risk Management to manage liquidity risk, related terms include Liquidity Management and Funding Risk, Liquidity Risk is used to ensure that an organization has sufficient liquidity to meet its obligations, for example, a central bank may use Liquidity Risk models to assess the liquidity risk of a bank or a financial institution.

Macroprudential Policy is a set of policies that are used to promote financial stability, it is a concept used in Strategic Risk Management to manage financial risk, related terms include Financial Stability and Systemic Risk, Macroprudential Policy is used to promote financial stability and maintain public confidence in the financial system, for example, a central bank may use Macroprudential Policy tools to promote financial stability and prevent systemic risk.

Market Risk is the risk that an organization will experience losses due to market fluctuations, it is a concept used in Strategic Risk Management to manage market risk, related terms include Market Risk Management and Value-at-Risk, Market Risk is used to assess the potential impact of market fluctuations on an organization's financial position, for example, a central bank may use Market Risk models to assess the market risk of a portfolio of securities.

Monetary Policy is the policy used by a central bank to manage a country's money supply and interest rates, it is a concept used in Strategic Risk Management to manage inflation and financial stability, related terms include Interest Rate and Money Supply, Monetary Policy is used to promote financial stability and maintain public confidence in the financial system, for example, a central bank may use Monetary Policy tools to manage inflation and maintain financial stability.

Operational Risk is the risk of loss due to inadequate or failed internal processes, it is a concept used in Strategic Risk Management to manage operational risk, related terms include Operational Risk Management and Business Continuity Management, Operational Risk is used to identify and mitigate risks related to an organization's internal processes, for example, a central bank may use Operational Risk models to assess the operational risk of a payment system.

Regulatory Capital is the amount of capital that an organization is required to hold by regulators, it is a concept used in Strategic Risk Management to manage credit risk and market risk, related terms include Economic Capital and Risk-Weighted Assets, Regulatory Capital is used to ensure that an organization has sufficient capital to absorb potential losses, for example, a central bank may require banks to hold a minimum amount of regulatory capital.

Regulatory Risk is the risk of non-compliance with regulations, it is a concept used in Strategic Risk Management to manage regulatory risk, related terms include Compliance Risk and Regulatory Compliance, Regulatory Risk is used to ensure that an organization is in compliance with all relevant laws and regulations, for example, a central bank may have a Regulatory Risk Management framework to ensure that it is in compliance with anti-money laundering regulations.

Reputation Risk is the risk of damage to an organization's reputation, it is a concept used in Strategic Risk Management to manage reputation risk, related terms include Reputation Management and Crisis Management, Reputation Risk is used to identify and mitigate risks related to an organization's reputation, for example, a central bank may use Reputation Risk models to assess the reputation risk of a scandal or a crisis.

Risk Appetite is the level of risk that an organization is willing to accept, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Tolerance and Risk Management, Risk Appetite is used to guide decision-making and ensure that risks are managed effectively, for example, a central bank may have a Risk Appetite statement to guide its decision-making and ensure that risks are identified and mitigated.

Risk Assessment is the process of identifying and assessing potential risk, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Management and Risk Mitigation, Risk Assessment is used to identify and assess potential risks, for example, a central bank may conduct a Risk Assessment to identify and assess potential risks related to monetary policy.

Risk Management is the process of identifying, assessing, and mitigating potential risk, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Assessment and Risk Mitigation, Risk Management is used to manage risk and ensure that an organization's objectives are achieved, for example, a central bank may have a Risk Management framework to manage risks related to monetary policy, financial stability, and regulatory compliance.

Risk Mitigation is the process of reducing or eliminating potential risk, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Management and Risk Assessment, Risk Mitigation is used to reduce or eliminate potential risks, for example, a central bank may use Risk Mitigation strategies to reduce the risk of a cyberattack or a natural disaster.

Risk Tolerance is the level of risk that an organization is willing to accept, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Appetite and Risk Management, Risk Tolerance is used to guide decision-making and ensure that risks are managed effectively, for example, a central bank may have a Risk Tolerance statement to guide its decision-making and ensure that risks are identified and mitigated.

Scenario Analysis is a technique used to analyze potential scenarios and their impact on an organization, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Assessment and Risk Management, Scenario Analysis is used to identify and assess potential risks, for example, a central bank may conduct a Scenario Analysis to identify and assess potential risks related to monetary policy.

Sensitivity Analysis is a technique used to analyze the sensitivity of an organization's financial position to changes in market conditions, it is a concept used in Strategic Risk Management to manage market risk, related terms include Market Risk and Value-at-Risk, Sensitivity Analysis is used to assess the potential impact of market fluctuations on an organization's financial position, for example, a central bank may use Sensitivity Analysis to assess the market risk of a portfolio of securities.

Strategic Management is the process of planning, organizing, and controlling an organization's strategy, it is a concept used in Strategic Risk Management to manage risk, related terms include Strategic Planning and Strategic Risk Management, Strategic Management is used to manage an organization's strategy and ensure that risks are managed, for example, a central bank may have a Strategic Management framework to manage risks related to monetary policy, financial stability, and regulatory compliance.

Strategic Risk Management is the process of identifying, assessing, and mitigating potential risk that can impact an organization's strategy, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Management and Strategic Management, Strategic Risk Management is used to manage risk and ensure that an organization's objectives are achieved, for example, a central bank may have a Strategic Risk Management framework to manage risks related to monetary policy, financial stability, and regulatory compliance.

Stress Testing is a technique used to test an organization's ability to withstand stressful conditions, it is a concept used in Strategic Risk Management to manage risk, related terms include Risk Assessment and Risk Management, Stress Testing is used to identify and assess potential risks, for example, a central bank may conduct Stress Testing to assess the potential impact of a financial crisis on its financial position.

Systemic Risk is the risk of a systemic crisis that can impact the entire financial system, it is a concept used in Strategic Risk Management to manage financial risk, related terms include Financial Stability and Macroprudential Policy, Systemic Risk is used to promote financial stability and maintain public confidence in the financial system, for example, a central bank may use Systemic Risk models to assess the systemic risk of a bank or a financial institution.

Value-at-Risk is a measure of the potential loss that an organization may experience due to market fluctuations, it is a concept used in Strategic Risk Management to manage market risk, related terms include Market Risk and Sensitivity Analysis, Value-at-Risk is used to assess the potential impact of market fluctuations on an organization's financial position, for example, a central bank may use Value-at-Risk models to assess the market risk of a portfolio of securities.

Vendor Risk Management is the process of managing the risk of using third-party vendors, it is a concept used in Strategic Risk Management to manage operational risk, related terms include Operational Risk and Supply Chain Risk, Vendor Risk Management is used to identify and mitigate risks related to the use of third-party vendors, for example, a central bank may have a Vendor Risk Management framework to manage the risk of using third-party vendors.