
Bank Risk Analysis and Counterparty Assessment Using CAMELS Training Course

18 – 22 January 2027
Milan





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Programme Summary

Bank risk analysis and counterparty assessment using CAMELS is the subject of this one-week training course for financial institutions risk professionals at advanced level, culminating in a bank risk scorecard and counterparty limit recommendation. Interbank, correspondent and treasury exposures depend on judging other banks from published information, often under time pressure. The approach moves from bank financial statements and disclosures, through each CAMELS component, to stress testing, support assessment and limit setting. Mars Training Centre UK delivers this programme in bank risk analysis.

The Business Case

Exposure to a weak bank can turn a routine placement, trade line or derivative position into a loss within days. Organisations that analyse bank counterparties in a structured, repeatable way set limits that reflect real risk, spot deterioration before it reaches the headlines and defend their decisions to credit committees and auditors. A common scorecard keeps counterparty risk judgements consistent across analysts.

- Losses on Bank Counterparty Exposures: Fall as limits are cut when early warning signals appear.
- Time to Review Counterparty Limits: Shortens as analysts use a standard CAMELS scorecard and data template.
- Concentration in Weak Counterparties: Reduces as limits track relative bank strength and support.

Principles and Evidence Base

- CAMELS Rating Framework: Its six components of capital, asset quality, management, earnings, liquidity and market sensitivity structure Sessions 2 to 4.
- Basel Committee Pillar 3 Disclosure Requirements: Public disclosures of capital, liquidity and risk exposures provide the data sources reviewed in Session 1.
- IFRS 9 Expected Credit Loss: Staging and provisioning rules frame the asset quality analysis in Session 2.
- IMF Financial Soundness Indicators: The indicator set supports peer and system comparison in Session 4.

Intended Participants

- Leaders who approve limits for banks and other financial institutions.
- Credit officers who analyse bank counterparties and write credit papers.
- Treasury and correspondent banking heads who manage interbank exposures.
- Supervisors and analysts who assess bank soundness.



The programme serves treasury, financial institutions credit, correspondent banking and supervision functions in banks, insurers, sovereign funds and corporate treasuries.

Learning Outcomes

1. Participants will be able to construct an analytical view of a bank from its financial statements and Pillar 3 disclosures.
2. Participants will be able to evaluate capital adequacy, asset quality and provisioning, including IFRS 9 staging.
3. Participants will be able to diagnose earnings quality, funding structure and liquidity risk.
4. Participants will be able to design a stress test of a bank's capital and liquidity under adverse scenarios.
5. Participants will be able to assess sovereign and shareholder support and early warning signals of distress.
6. Participants will be able to justify a counterparty limit and risk rating for a bank.

Programme Structure

Day 1: Bank Financial Statements and Disclosures

What does a bank's published information reveal about its risk profile?

- Bank Balance Sheet and Income Statement Structure
- Pillar 3 Disclosures and Regulatory Capital Tables
- Business Model Mapping and Revenue Mix
- Data Spreading Template for Bank Analysis
- Accounting Judgements That Distort Bank Ratios

Day 2: Capital Adequacy and Asset Quality

Is the bank's capital sufficient for the risks in its loan book?

- Capital Ratios, Leverage and Capital Quality
- Non-Performing Loans and Problem Asset Trends
- IFRS 9 Staging, Coverage and Provisioning Adequacy
- Concentration by Sector, Borrower and Geography
- Restructured Loans and Hidden Asset Quality Risk

Day 3: Management, Earnings and Liquidity

Can the bank earn its way through stress and fund itself?



- Management and Governance Assessment Indicators
- Earnings Quality, Margin Drivers and Cost Efficiency
- Funding Structure and Deposit Stability
- Liquidity Coverage and Net Stable Funding Ratios
- Sensitivity to Interest Rate and Currency Movements

Day 4: Bank Risk Analysis Under Stress

How would the bank cope with an adverse scenario, and who would support it?

- Capital and Liquidity Stress Testing Scenarios
- Peer Comparison Using Financial Soundness Indicators
- Sovereign and Shareholder Support Assessment
- Early Warning Signals of Bank Distress
- Lessons From Bank Failure Case Studies

Day 5: Scoring and Setting Counterparty Limits

Is the counterparty recommendation ready for the credit committee?

- Applying Day 2 and Day 3 Findings to a CAMELS Scorecard
- Using Day 4 Stress Results to Adjust the Risk Rating
- Limit Sizing by Product, Tenor and Exposure Type
- Monitoring Triggers and Limit Review Frequency
- Completing the Bank Risk Scorecard and Limit Recommendation

Methodology

The programme is built around data workshops on published bank reports. Participants spread financial statements, calculate ratios, score each CAMELS component and stress test a bank, then defend a limit recommendation to a simulated credit committee. Cases include commercial and Islamic banks.

- Suggested activity: Spreading two banks' annual reports into a common analysis template.
- Suggested activity: Stress testing a bank's capital ratio under a loan-loss scenario.
- Suggested activity: Presenting a counterparty limit to a simulated credit committee.

Capstone Output

Each participant completes a bank risk scorecard and counterparty limit recommendation for a bank of their choice. It contains a spread of financial data, CAMELS component scores, a stress test, a support assessment, early warning triggers and a limit structure by product and tenor.



Frequently Asked Questions

Is bank risk analysis training suitable for experienced credit officers?

Yes. It is set at advanced level and assumes familiarity with financial statements and credit analysis.

Which frameworks does bank risk analysis using CAMELS rest on?

It rests on the CAMELS rating framework, Basel Committee Pillar 3 disclosures, IFRS 9 expected credit loss and the IMF Financial Soundness Indicators.

How is the bank risk scorecard from this training used at work?

You can use it to prepare credit papers, set and review limits for bank counterparties and monitor triggers between reviews.

How does bank risk analysis differ from a bank management programme?

It assesses a bank from the outside as a counterparty, rather than teaching how to run a bank's strategy, balance sheet and profitability.