



The Institute of  
Bankers Pakistan

**Time Allowed: 3 Hours**

**Maximum Marks:100**

**Date: November 24, 2022**

**Advanced Risk Management  
AIBP (Core Subject)**

**Roll No:**

Instructions:

- i. Attempt ALL questions;
- ii. Answers must be neat, relevant and brief;
- iii. In marking the answer sheet, the examiners take into account clarity of exposition, logic of arguments, presentation and language;
- iv. Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- v. DO NOT write your Name, Access No. or Roll no. etc. anywhere inside the answer script(s);
- vi. Candidates are advised not to mark any of the objective answer on the question paper, otherwise their paper will be cancelled;
- vii. Question Paper must be returned to invigilator before leaving the examination hall.

**SECTION B: SUBJECTIVE**

**Attempt ALL Questions.**

**(40 Marks)**

- Q1.** Royal Commercial Bank formulate cyber security action plan in order to anticipate, withstand, detect and respond to cyber-attacks in line with international standards and best practices. Specify the broader parameters of Cyber Security Action Plan for implementing appropriate controls to prevent any cyber security incident in accordance to the Enterprise Technology Governance & Risk Management Framework for FIs by SBP? **(8 Marks)**
- Q2.**
- A.** Briefly explain the main components of interest rate risk mentioned in the guideline on interest rate risk management by SBP. **(10 Marks)**
- B.** Independent reviewer ensures that the bank's risk measurement system is sufficient to capture all material elements of interest rate risk whether arising from on- or off-balance-sheet activities. In this regard, list the qualitative and quantitative factors as specified in the Guidelines on Interest Rate Risk Management by SBP. **(6 Marks)**
- Q3.** Briefly explain the key indicators that depict the credit quality of a loan mentioned in the Risk Management Guidelines for Commercial Banks & DFIs by SBP? **(10 Marks)**
- Q4.** In light of Risk Management Guidelines for Commercial Bank's & DFIs by SBP, briefly explain the major component of bank's credit strategy and how it should spell out an institution's Credit Risk Management Framework. **(6 Marks)**

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