S.L. (Sam) Srinivasulu, Ph.D., Chairman of KESDEE Inc., is a specialist consultant and trainer in Treasury Management, Asset Liability Management and Risk Management for leading institutions worldwide. For over 25 years, S.L. (Sam) Srinivasulu, Ph.D. has presented several in-house and public training programs to senior financial executives in 40 countries around the world.

His educational qualifications are:

- Ph.D in Financial Risk Management from the Graduate School of Business Administration, University of Michigan, U.S.A.

- Master of Business Administration (MBA) from the Indian Institute of Management, Ahmedabad, India.

- He was invited by U.S. Federal Reserve System to conduct Executive development programs to the supervision and regulation staff of the Federal Reserve System. Two, one-week programs were presented 25 times and nearly 500 delegates benefited from it. A five-year project. Spent one week every month for five years on Federal Reserve Board Project. This project was the catalyst for establishing KESDEE Inc., a financial e-Learning company (www.kesdee.com).
Financial Services Industry is very training intensive due to Regulations (Basel 3, Dodd Frank, CRD 1V........), Technology (mobile, social, cloud ...), Globalization and Product innovations.

In order to build world class Competency Development programs, Best Practice Financial Institutions look beyond training for Regulatory Compliance and proactively implement Skill Development on products / processes / customer service. The former is what you “need to do”, but the latter is what you “want to do” to gain competitive advantage.

With the help of six actual case studies, this presentation illustrates the Global Best Practices of Competency Development in the Financial Services Industry.

The case studies illustrate competency development through carefully designed learning paths for different functional roles, different competency levels (foundation, advanced and expert), different purpose (mandatory, optional and reference)

In addition, these six case studies illustrate how these institutions used eLearning resources for exam prep for industry certifications, internal certifications, continuing education and on boarding.
1. Competency Development

2. e-Learning for Competency Development
   - Compliance Vs. Competitive Advantage
   - Old Paradigm Vs. New Paradigm

3. Case Studies
   - Federal Reserve System
   - Citigroup
   - Western Asset Management
   - First Bank of Puerto Rico
   - Standard Chartered Bank
   - Indian Bank
Competency Mapping

• Align Training Curriculum to required competencies.

• Objective: To improve the relevance of training to the job role.

Domain competency programs through eLearning are valuable to recruit, retain and reward a productive workforce to successfully compete in the knowledge economy.
For employees:-

• Career Progression: A structured competency development provides opportunities to employees for acquiring marketable skills, and enhances job satisfaction.

• The flexible approach (mandatory vs. optional) recognizes that “one size does not fit all”.
Advantages of Competency Mapping

For employers:-

• Identify ‘talent gaps’ and build a skilled workforce.

• For employers, structured competency training provides “biggest bang for the buck” spent in training.
In a financial service industry, the typical competencies that are required are given below (Illustrative, not exhaustive):

- **Risk Management**
  - Market Risk
  - Credit Risk
  - Operational Risk Management
  - Asset Liability Management

- **Financial Markets**
  - Foreign Exchange and Money Markets
  - Fixed Income Markets
  - Equity Markets
  - Derivatives

- **Regulatory Compliance**
  - Anti-Money Laundering
  - Basel II and Capital Adequacy
  - Banking Regulations specific to each country
Type of Competency

• Corporate Banking
  – Credit Analysis and Approval
  – Structured Finance
  – Trade Finance

• Financial Planning
  – Mutual Funds
  – Personal Financial Planning

• Consumer Credit
  – Product Knowledge
  – Credit Analysis & approval
  – Credit Scores and pricing
  – Monitoring, recovery and collections
Levels of Competency

<table>
<thead>
<tr>
<th>Level</th>
<th>Foundation</th>
<th>Knowledge and Comprehension</th>
<th>Define</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Advanced</td>
<td>Application and Analysis</td>
<td>Calculate</td>
</tr>
<tr>
<td>Level 3</td>
<td>Expert</td>
<td>Synthesis and Evaluation</td>
<td>Recommend</td>
</tr>
</tbody>
</table>

In some institutions, a slightly different terminology is used (For e.g. basic/intermediate/advanced levels).

Generally, three levels are used. Further classifications and sub-classifications are made, as needed.
In designing learning paths, there are two components:

1. A common foundation of financial service industry knowledge and analytical skills: These are transferable and are needed for any and all job roles.

2. A specialized set of e-learning courses to develop required competency.
For each target group, learning paths are designed to incorporate the following:

- Mandatory
- Optional
- Reference only

**Mandatory Curriculum:** One needs to go through and demonstrate mastery through assessments.

**Optional Curriculum:** This is included for greater exploration, self-development and to accommodate differences in prior background/preparation and experience.

**Reference only:** This is made available to provide general reference on all related topics.
e-Learning: Phase I

- e-Learning for Compliance and Control
- e-Learning for Regulatory Compliance
- e-Learning for Internal Control

  - *You need to do it whether you like it or not.*
e-Learning: Phase II

- e-Learning for Competitive Advantage and Value Creation.
  - Product Knowledge
  - Process Knowledge
  - Customer Knowledge
  - Risk Management

- Objective –
  - More knowledgeable employees compete effectively.

*You do it in your own enlightened self-interest*
e-Learning for Extended Enterprise

- Strategic Partners
- Clients, Customers, Channels
- To enhance Sales Channel Effectiveness.
- To have Knowledgeable Clients.
Accreditation

• Accreditation from reputed industry organizations is obtained for different e-learning courses. This ensures industry relevance and assures third party due diligence, and constant updates.

• KESDEE’s e-learning programs are approved for Continuing Professional Education (CPE) and Continuing Education (CE) credits by prestigious certification agencies such as:
  – Chartered Financial Analyst Institute (CFA Institute)
  – Certified Financial Planner (CFP)
  – The Institute of Certified Bankers™ (ICB)
  – The Association of Certified Anti-Money Laundering Specialists® (ACAMS®)
  – Institute of Certified Public Accountants of Singapore (ICPAS)
  – National Association of State Boards of Accountancy (NASBA)
Accreditation

• Serves as a valuable external benchmark
• External / Internal Certifications
• Quality Assurance
• Timely updates
“e-Learning, Not e-Reading”
“Content and Context”
“Learn-By-Doing”
“Conceptually sound, yet Practical”
“One size does not fit all”
“Comprehensive”
**Just for you**

**Just-in-Time:** When needed. Designed with true “On Demand” philosophy.

**Just-for-You:** By creating personalized learning paths for different groups, KESDEE’s Learning Management System enables the learner to ‘mix and match’ course units, as needed for different groups.

**Just Right:** Practical Application, Learn by doing

**Just Enough:** Our modular structure, non-linear approach enables users to get the specific information or answers to a specific question, or a specific practice
Case Studies

Federal Reserve System
Citigroup
Western Asset Management
First Bank of Puerto Rico
Standard Chartered Bank
Indian Bank

"An organization's ability to learn and translate that learning into action is the ultimate competitive advantage."

- Jack Welch, ex-CEO, GE
The courses for the Risk Management Portal were selected from KESDEE’s library of 600 e-learning courses.

- 8 new courses were developed on Trade Life Cycle/ Commodity Markets/ Credit Derivatives Risk Matrix.
- These courses were made available through a customized e-Learning portal on Risk Management that explores concepts related to how risk management activities identify, measure, monitor, and control risks that arise as a consequence of a banking organization’s activities.
The courses on Risk Management Portal were mapped into following three categories

a) Mandatory Topics
b) Recommended Topics, and
c) Reference Materials

**Mandatory Topics:** Understanding of important concepts underlying certain topics is expected from the selected group to whom the e-Learning & Reference Solutions are provided. Certain courses from the course libraries are classified as mandatory and associated to all the users within the group.

**Recommended Topics:** Other topics can be used as needed.

**Reference Materials:** As a general reference for use, if and when needed.
The Federal Reserve Board

Online Learning Domain for Trading Risk Management (TRM)
EXAM SECTION: KESDEE has developed a separate exam section for Federal Reserve Portal. The questions will be randomly generated from the database each time the student / candidate takes the exam.
Effect of prepayments on cash flows

FNMA 7% 30-Year MBS
Prepayment Assumption: 100% PSA

Monthly Cash Flow
$ Thousands

Choose the PSA, from the list to view the corresponding change in cashflow curves.

Source: Federal Reserve

Pool balance: $8 million WAC: 7.54% WAM: 350 months
• KESDEE's e-learning & reference solutions are deployed at CitiGroup globally through Internet and Intranet.

• Personalized learning paths were developed based on competencies for each target group.

• Several “sub-brands” were incorporated the landing page – Look, Feel, Logo as appropriate for each “sub brand”.

• The e-learning courses were subject to regionalization and translation into Spanish to audiences in Latin American markets.
• Global deployment
• Multiple languages
• Sub Brands
  – Examples: On-boarding portal for new recruits
  – Latin America: Several portals for different functions/business areas.

*Your own branded portal makes you feel “at home”.*
KESDEE courses were repackaged as required for different user groups and categorized as
a) Mandatory Topics
b) Recommended Topics, and
c) Reference Materials

**Mandatory Topics:** Understanding of important concepts underlying certain topics is expected from the selected group to whom the e-Learning & Reference Solutions are provided. Certain courses from the course libraries are classified as mandatory and associated to all the users within the group.

**Recommended Topics:** Other topics can be used as needed.

**Reference Materials:** As a general reference for use, if and when needed. This included the entire catalog of financial e-learning courses.
Operational Risk Quantification Framework

With risk being described as a measure of uncertainty surrounding an event, not surprisingly is "risk quantification" of paramount importance in operational risk management. For now it suffice to say that the process of operational risk "quantification" can be broken down into four major steps:

1. Loss Database
   - Internal Loss Database
   - Loss data analysis: LT1, LT2, LT3

2. Distribution Modeling
   - Frequency Distribution
   - Severity Distribution

3. Loss Simulation
   - Monte Carlo Simulation
   - Distribution of losses
   - Insurance Mapping:
     - Deductible
     - Limits

4. Capital Calculation
   - Risk Aggregation
     - Correlations
   - Qualitative Adjustment:
     - Self-Assessment
     - KRI
     - Scorecards
Artículo 2: Definiciones (cont...)

A los efectos de las reglas de las UCP, las diversas partes involucradas en las cartas de crédito se definen en términos del lugar que ocupan en el esquema global.

Banco Emisor

El banco emisor es el banco que emite la carta de crédito. A pesar de que normalmente hay un solicitante, un banco puede emitir una carta de crédito por su cuenta.
• One of the largest Fixed Income Management Companies

• Western Asset Management's rapid international business expansion created the need for comprehensive and rapid employee development opportunities.

• Faced with this challenge, Western Asset Management turned to GeoLearning's / SumTotal LMS and KESDEE's financial learning content to deliver and administer training programs for its international team.

• In a press release, Western Asset Management said, “GeoLearning / SumTotal and KESDEE have a lock-solid integration that enabled Western Asset Management to assemble a best-of-breed solution. Their strong partnership helped make the new company-wide learning initiative a real success”.

• Western Asset Management has started this Corporate University in 2007. They have been using KESDEE e-Learning courses as part of their Corporate University from past 6+ years.

• KESDEE’s e-learning Courses were mapped to different job roles.
Well-defined learning paths were developed for each of the following target groups.

- Analytics
- Client Service
- Enterprise Risk
- Finance
- Information Technology
- Investment Management
- Investment Support
- Legal/ Compliance
### KESDEE e-learning Courses

<table>
<thead>
<tr>
<th>Asset Liability Management (28 courses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Scope of ALM</td>
</tr>
<tr>
<td>2. Objectives of ALM</td>
</tr>
<tr>
<td>3. Growing Relevance of ALM</td>
</tr>
<tr>
<td>28. Audit of ALM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquidity Management &amp; Contingency Funding Plan (14 courses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Role of Liquidity in ALM</td>
</tr>
<tr>
<td>2. Liquidity Crises - Case studies</td>
</tr>
<tr>
<td>3. Liquidity Measurement Systems - 1</td>
</tr>
<tr>
<td>4. Liquidity Measurement Systems - 2</td>
</tr>
<tr>
<td>5. Liquidity Measurement Systems - 3</td>
</tr>
<tr>
<td>14. Contingency Funding - 2</td>
</tr>
</tbody>
</table>
First Bank of Puerto Rico

- Implemented a turnkey solution with Learn.Com / Taleo Learning Management System & KESDEE e-learning catalog.
- Part of well-planned Talent Development programs.
- Provides self-paced, web based e-learning programs.
- A very good structure to create personalized learning paths.
Job segments in the Bank - FirstBank

- Credit Analysis
- Credit Appraisal
- Credit Risk & Control
- Credit Administration
- Sales & Marketing
- Treasury Services (Cash management, Custody, Clearing, Trust service)
- Bank Branch Management
• Each target group was assigned a curriculum path consisting of required banking Regulatory Compliance (Eg. Anti Money Laundering, Know Your Customer, Privacy Loss ....) and Banking Skill Development programs were assigned on job segment (Credit Analysis, Credit Appraisal...).

• Every group is combination of overview and in depth programs.

• Access was given for the entire portal as a reference.

• Approximately 20 e-learning modules / year of mandatory programs.

• Approximately, additional 20 e-learning modules / year as optional; as a way for employees to stretch their skills.

• Based on the demographics of employees and clients, the entire portal was made available in both English and Spanish.
A few e-Learning Courses - FirstBank

• **Credit Analysis (Library of 13 Courses)**
  1. Overview to Credit Analysis
  2. Lending Process
  3. Financial Statement Analysis-I
  4. Financial Statement Analysis-II
  5. Non-Financial Analysis
  6. Asset Classification and Loan Loss Provisioning
  7. Borrowing Causes and Sources of Repayment
  8. Problem Loans
  9. Consumer Instalment Lending
  10. Floor Plan Lending
  11. Accounts receivables and inventory lending
  12. Participation Lending
  13. Letter of Credit and loan commitments

• **Anti-Money Laundering (Library of 6 Courses)**
  1. What Is Money Laundering
  2. International Initiatives
  3. Customer Identification Program
  4. USA Patriot Act
  5. Wolfberg’s Principles on Correspondent Banking
  6. Terrorist Related
• **Análisis de Crédito – (Credit Analysis – A library of 13 Courses)**
  1. Generalidades del Análisis Crediticio
  2. Proceso del Préstamo
  3. Análisis de Estados Financieros – 1
  4. Análisis de Estados Financieros-2
  5. Análisis No Financiero
  6. Clasificación de Activos y Provisión para Pérdidas Crediticias
  7. Razones de Préstamo y Fuentes de Reembolso
  8. Préstamos Problemáticos
  9. Préstamos de Consumo en Cuotas
  10. Préstamo Hipotecario sobre el Inventario
  11. Préstamos Respaldados por Cuentas por Cobrar e Inventarios
  12. Préstamos Sindicados
  13. Cartas de Crédito y Compromisos de Préstamo

• **Medidas Contra el Lavado de Dinero (Anti-Money Laundering – A library of 6 Courses)**
  1. ¿Qué es el Lavado de Dinero?
  2. Iniciativas Internacionales
  3. Programa de Identificación del Cliente
  4. Ley Patriótica de los Estados Unidos de Norteamérica
  5. Los Principios de Wolfsberg para la Banca Corresponsal
  6. Asuntos Relacionados al Terrorismo
Job Aids section was provided with useful practical tools and for use on the job, “Learning at the point of Need”.

- Benchmarking Data
- Policy Templates
- Disclosures
- Global Best Practices
- Regulations
- Measurement Tools
• All KESDEE e-learning courses were made available to Standard Chartered Bank for the training of its staff.

• The e-learning courses are deployed on Internet and multiple Intranets of Standard Chartered Bank.

• KESDEE customized the courses by adding policies/procedures/case studies, relevant to Standard Chartered Bank.
Customization & Personalization - SCB

- Country-specific: Regulations & Case Studies.
- Institution-specific: Polices and Procedures
- Business line-specific: Branded Portals
- Individual-specific: Personalized learning paths
• One of the largest domestic banks in India.

• The entire catalog of e-learning courses were deployed on the intranet server of Indian Bank. The intention was to integrate e-learning into the workflow for bank employees.

• KESDEE has customized all off-the-shelf courses according to the regulations and guidelines of Indian regulatory bodies such as the Reserve Bank of India (RBI), the Securities Exchange Board of India (SEBI), etc.

• A new e-Learning course library on ‘Indian Bank Policies’ has been developed which is exclusively available to Indian Bank employees only.

• Based on their learning requirement, KESDEE developed several new e-learning courses on Bank Branch Management Operations.
Indian Bank Online Learning Domain

An engaging online learning experience

User Login

Username
Password

Login

Forgot your username or password?
A new e-Learning course library on "Indian Bank Policies" has been developed which is exclusively available to Indian Bank employees only.
About KESDEE

KESDEE is the world's largest financial e-learning company.

KESDEE’s e-learning catalog consists of 750 accredited e-Learning courses on various topics in following areas:
- Banking
- Finance
- Accounting
- Risk Management
- Insurance
- Financial Planning/Wealth Management

In addition, KESDEE offers e-Coaches, the web-based Tutorials for Certification Exams in Risk Management and Financial Analysis.

KESDEE e-learning solutions are also available in Spanish.

**Hull on Derivatives** course Library is available on our portal “John Hull e-learning from KESDEE”.

Kaplan / KESDEE web based exam preps are available for [Insurance Achievement Content](#).

For more details, please visit [www.kesdee.com](http://www.kesdee.com).
KESDEE Inc.
5280 Carroll Canyon Road,
Suite 220, San Diego
CA 92191, U.S.A.
Tel: +1-858-558-8118
Email: srini@kesdee.com
Thank You