



## Certificate in Operational Risk Management Rules & Syllabus 2026

### INTRODUCTION

With rapid changes in the operational environment and the continuous evolution of regulatory expectations, banks are required to consistently strengthen their governance frameworks, human resources, processes, and internal control systems. The increasing pace of digitalisation has significantly transformed banking operations, but it has also led to a sharp rise in cyber threats and technology-related risks. While cyber-attacks are not entirely new, their methods, scale, and sophistication are constantly evolving, making them more difficult to detect and manage.

These developments have intensified the challenges faced by banks in identifying, assessing, monitoring, and mitigating non-financial risks, including operational, technological, compliance, and third-party risks. As a result, the banking environment has become more complex, dynamic, and uncertain. To ensure resilience and sustainability, it is essential for banking professionals—especially those working in risk management functions—to develop a comprehensive understanding of both IT and non-IT risks, along with emerging areas such as cybersecurity, outsourcing risks, and regulatory compliance.

The course on Operational Risk Management is designed to equip bankers with the knowledge, tools, and practical insights required to effectively manage these challenges. It aims to enhance their ability to build robust risk management frameworks and strengthen institutional resilience in an increasingly technology-driven landscape.

### OBJECTIVE

The primary objective of this course is to develop a thorough understanding of operational risks encountered in the day-to-day functioning of banks, along with their identification, assessment, measurement, and mitigation. It also seeks to build competencies in implementing effective risk management practices and fostering a strong risk culture within the organisation.

### ELIGIBILITY:

1. Members and Non-Members of the Institute
2. Candidates must have passed the 12<sup>th</sup> standard examination in any discipline or its equivalent.

### SUBJECT OF EXAMINATION:

Operational Risk Management

### PASSING CRITERIA:

Minimum marks for pass in the subject is 50 out of 100

## EXAMINATION FEES:

Particulars	For Members	For Non-Members
First attempt	Rs.1,100/- *	Rs.1,600/- *
Subsequent each attempt	Rs.1,100/- *	Rs.1,600/- *

\* Plus Convenience charges and Taxes as applicable.

**Please Note: Candidates are required to Register for every attempt separately.**

As a measure to streamline the traffic for registration, Institute will charge regular examination fee to candidates who registers for the examination during the first week of registration. For second and third week of registration, the fees will be regular examination fee plus Rs. 100/- and fourth week of registration, the fees will be regular examination fee plus Rs. 200/-. **In case, the registration date is extended beyond 4 weeks the examination fees will be regular examination fee plus Rs. 200/- for the extended days.** The fee once paid will **NOT** be refunded or adjusted on any account.

## MEDIUM OF EXAMINATION:

Examination will be conducted in English only.

## PATTERN OF EXAMINATION:

- Question Paper will contain 100 objective type multiple choice questions for 100 marks.
- The examination will be held in Online Mode only
- There will NOT be negative marking for wrong answers.

## DURATION OF EXAMINATION:

The duration of the examination will be of 2 hours.

## PERIODICITY AND EXAMINATION CENTERS:

- Examination will be conducted on pre-announced dates published on IIBF Website. Institute conducts examination on half yearly basis, however periodicity of the examination may be changed depending upon the requirement of banking industry.
- List of Examination centers will be available on the website. (Institute will conduct examination in those centers where there are 20 or more candidates.)

## PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be registered online from the Institute's website [www.iibf.org.in](http://www.iibf.org.in). The schedule of examination and dates for registration will be published on IIBF website.

## SCRIBE GUIDELINES

Candidates who are visually impaired / have low vision or affected by cerebral palsy with loco-motor impairment whose writing speed is affected and Physically Handicapped (PH) candidates who cannot operate Keyboard and Mouse can use scribe at his/her own cost during the examinations. Compensatory time and facility of scribe would be provided to only the above categories of Physically challenged candidates. Physically challenged candidates of other categories are not eligible to get the above-mentioned benefits.

To avail the facility of a scribe/special assistance/extra time, eligible candidates are required to apply online on the Institute's website [www.iibf.org.in](http://www.iibf.org.in). Candidates who do not apply for availing the facility of a scribe/special assistance/extra time as per the procedure well before the said examination/s may be denied the facility of a scribe/special assistance/extra time [Click Here - GUIDELINES/RULES FOR USING SCRIBE BY VISUALLY IMPAIRED & ORTHOPEADICALLY CHALLENGED CANDIDATES \(Physical Classroom exam\)](#)

### **PROOF OF IDENTITY:**

Non-members applying for Institute's examinations/ courses are required to attach/ submit a copy of any one of the following documents containing Name, Photo and Signature at the time of registration of Examination Application. Application without the same shall be liable to be rejected.

1) Photo ID Card issued by Employer or 2) PAN Card or 3) Driving License or 4) Election Voter's ID Card or 5) Passport 6) Aadhaar Card

### **STUDY MATERIAL/ COURSEWARE**

The Institute has developed a courseware to cover the syllabus. Candidates are advised to make full use of the courseware. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Therefore, the courseware should not be considered as the only source of information while preparing for the examinations. Candidates are advised to go through the updates put on the IIBF website from time to time and go through Master Circulars/ Master Directions issued by RBI and publications of IIBF like IIBF Vision, Bank Quest, etc. All these sources are important from the examination point of view. Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc. besides going through other books & publications covering the subject/ exam concerned etc. Questions based on current developments relating to the subject/ exam may also be asked.

### **CUT-OFF DATE OF GUIDELINES/ IMPORTANT DEVELOPMENTS FOR EXAMINATIONS**

The Institute has a practice of asking questions in each exam about the recent developments/ guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/ guidelines from the date the question papers are prepared and the dates of the actual examinations.

In order to address these issues effectively, it has been decided that:

- (i) In respect of the examinations to be conducted by the Institute for the period March to August of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers.
- (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

Particulars Developments for Examination/s	Cut-off Date of Guidelines/ Important Developments for Examination/s
For the examinations to be conducted by the Institute for the period March 2026 to August 2026	31st December 2025
For the examinations to be conducted by the Institute for the period September 2026 to February 2027	30th June 2026

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus/ rules/ fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial newspapers/ periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

## SYLLABUS

**The details of the prescribed syllabus which is indicative are given below. The Institute however, also reserves to itself the right to vary the syllabus/ rules/ fee structure from time to time. Any alterations made will be notified.**

### **MODULE A**

#### **The Evolution of Risk Management in Indian Banking: From Tradition to Transformation**

Risk Management Practices in Ancient India, Risk Management Practices during the Mughal Period, Risk Management in Pre-Independent India, Post-Independence Era: From Private to Public Banking (1947–1960s), Social Control and Nationalisation Era (1960s–1980s), Early Modernization and Emerging Challenges (1980s), Pre-Reform Period: Mounting Systemic Risks (1980s–1991), The 1991 Economic Reforms: A Watershed Moment for Indian Banking and Risk Management, Post-Reform and Contemporary Banking, Implementation of Basel Committee Recommendations

#### **Understanding the Nature of Risk**

Risk as Part of Life, Definition of Risk, Elements of Risk, Financial Risk vs Non-financial Risk, Diversifiable and Non-diversifiable Risk, Interconnectedness among Banking Risk

#### **What is Operational Risk? Concepts and Challenges**

Emerging Patterns in Operational Risk, Definition of Operational Risk, Advantages of Event Type Definition, Complex nature of Operational Risk

#### **Regulatory Response to Operational Risk and Resilience**

Basel Committee on Principles of Sound Management of Operational Risk (PSMOR), RBI's 2024 Guidance Note: A Major Update from its 2005 Version, Action Points to implement the new guidelines in the bank.

#### **Operational Risk Management Framework (ORMF)**

What is ORMF?, Key Objectives of an Effective ORMF, Operational risk cycle, Elements of Operational Risk Management Framework- RBI guidelines, Organisational Structure, Operational Risk Management Policies and Strategies

#### **Operational Risk and Enterprise Risk Management (ERM)**

Why ERM Suits Operational Risk Management, How Effective is ERM in Managing Operational Risk?, What is Enterprise Risk Management?, ERM – COSO Integrated Framework 2004, Internal Control as A Part of ORM, COSO 2017-Enterprise risk Management integrating with Strategy and Performance, Components and Principles and ORM, Limitations of Enterprise Risk Management (ERM)

## **MODULE B**

### **Operational Risk Governance and Culture**

Internal Risk Governance System, Role of Operational Risk Governance System, Governance Structure and Accountability, Operational Risk Culture

### **Operational Risk Identification and Event Classification**

Why Identifying Operational Risk Is Uniquely Challenging, Why Operational Risk Identification Relies on Data, Not Models, Operational risk identification process, Top Down Approach Process, Bottom-Up Approach Process, Recording loss events data

### **Internal and External Loss Data and Root Cause Analysis**

Purpose of gathering Loss Data, Minimum Loss Standard, Near-misses and Opportunity Costs, Date and Time of the Event, Risk Event Type, Location, Identification, Collection and Treatment of Loss Data, Loss Data Analysis Process, Operational Risk Event Database, External Data: A Part of Loss Database, Root Cause Analysis

### **Self-Assessment Process (RCSA)**

From RCSA to Self-assessment, Objectives of Conducting Self-assessment, Role of Self-assessment in Operational Risk Management, Self-assessment and Internal Audit, Methods of Conducting Self- Assessment Process (RCSA), Self-assessment Process, Develop Mitigation Plan, Frequency and Timing, Reporting and Escalation

### **Risk Appetite**

Challenges in Setting Operational Risk Appetite, Importance of Setting Risk Appetite, Defining Risk Appetite, Risk Capacity and Risk Tolerance, Qualitative and Quantitative expression of Operational Risk Appetite, Process of setting Operational Risk Appetite

### **Scenario Analysis**

Need for Scenario Analysis, RBI Definition, Regulatory Expectations from Scenario Analysis, Scenario Development Process, Methods and Tools for Scenario Development, Scenario Analysis Output, Finalisation of Action Plan, Review and Refine Risk Models

## **MODULE C**

### **Mitigation of Operational Risk and Major Non-Financial Risks**

Importance of Control and Mitigation in ORMF, Objectives of Operational Risk Mitigation, Strategies to Mitigate Operational Risk, Regulatory Risk, Fraud Risk, People Risk, Reputation Risk, Legal Risk

### **Internal Control System and Risk Focused Internal Audit (RFIA)**

Control System: A Powerful Tool to Mitigate Operational Risk, Understanding Control Risk, Backup Systems and Redundancy, Insurance, Risk Focused Internal Audit (RFIA)

### **Metrics (KRI/KPI/KCI)**

What are Metrics (KRI, KPI, KCI)?, Components of Risk Metrics, Leading and Lagging Metrics, Metrics (KRIs/KPIs/KCIs) Selection Process, Setting Threshold, Escalation Triggers, Monitoring and Reporting, Illustrative Metrics (KRI/KPI/KCI) with Thresholds

### **Change Management**

Role of Changes in Banking, What Is Change Management?, Regulator's Expectations, Change Management Framework, Challenges Faced by Banks in Implementing Change Management framework

### **Measurement of Operational Risk**

Definition and Objective of Measuring Operational Risk, Methods and Tools for Measurement of Operational Risk, Integrated Operational Risk Measurement Process, Loss Data -Based Model (Loss Distribution Approach), Scenario Analysis, Hybrid Approach

### **Capital Charge for Operational Risk**

Operational Risk Capital: Triggers for Regulatory Intervention, Basel Guidelines on Capital Charge against Operational Risk, Basel III Standardised Approach, Challenges in Migrating to the Basel III Standardised Approach

## **MODULE D**

### **Operational Resilience Framework**

Drivers of Operational Resilience, Definition: What is operational resilience?, Objectives of Operational Resilience, Regulators Expectations, Complementary Roles of Operational Risk Management and Operational Resilience, Operational Resilience Governance Framework, Operational Resilience Framework, Business Impact Analysis, Establishing Impact Tolerance Limits, Scenario Testing and Stress Testing, Strategies to develop operational resilience, Monitoring of operational resilience, Adopt and Learn

### **Business Continuity Plan (BCP)**

Definition of Business Continuity Plan, Benefits of having a Business Continuity Plan, Governance Structure, Business Continuity Planning Process, Risk Monitoring

### **Incident Management Framework**

What is an incident?, Characteristics of Risk Incidents, Objectives of Incident Management Framework, Types of Incidents, Regulators Expectations, Incident Management Process

### **Third-Party Dependency Management**

What is Outsourcing, Benefits of outsourcing, Services Received through Third Party, Risks Associated with Outsourcing, Regulator's Expectations on Management of Third-Party Dependency Risk, Third-Party Dependence Risk Management Framework, Identification of Third-Party Dependence Risk, Ongoing Monitoring, Incident Management and Response, Business Continuity and Resilience, Periodic Review and Continuous Improvement

### **Information and Communication Technology (ICT) including Cyber Security**

Definition and Scope of ICT Risks, ICT and Cyber Security Risk Management Framework, Identification and Assessment of ICT Risk, Mitigation of ICT Risk, Monitoring and Review of ICT Risks, IT Infrastructure & Services Management, IT and Information Security Risk Management, Cyber Incident Response and Recovery Management, Business Continuity and Disaster Recovery Management, Information Systems(IS) Audit

### **Climate Risk and Operational Resilience**

Reasons for Climate Change, Paris Agreement and its Implications for Operational Risk, India's Programme to Combat Climate Change, Climate Change-Related Operational Risks, Physical Risk, Transition Risk, How Climate Risks Translate into Operational Risk Events, Climate-Related Financial Risk Management Framework, Best Practices to Mitigate Climate Risk Related Operational Risk

## **IMPORTANT RULES/ INFORMATION FOR CANDIDATES**

### **1. ADMIT LETTER OF EXAMINATIONS:**

- a. While registering for the examination/ course candidates will only be allowed to select their exam centre. The venue and time slots will be allotted by the Institute.
- b. **Candidates are required to take utmost care and precaution in selecting Centre, as there is no provision to change the Centre in the system after successful application. Hence no request for change of centre, will be entertained for any reason.**
- c. No Admit letter will be issued at the time of registration. Admit Letters with details of Venue and time slots will be available for download 10-15 days prior to the date of examination.
- d. Admit letter will be hosted on Institute's website [www.iibf.org.in](http://www.iibf.org.in) under the menu "Examination/Courses>Admit Letter"
- e. For downloading and printing of admit letter from the above mentioned website, candidates will have to enter the following:
  - i. Membership or registration number as login id
  - ii. Edit profile password.
- iii. If candidates do not remember their Edit profile password, they have to click on the 'Forgot password/ Get Password' button after entering the Membership or Registration number. On clicking, fresh edit profile password will be sent to their registered email id.
- f. Candidates are required to produce printed copy of admit letter along with Membership identity card or any other valid photo ID card in original (Aadhaar card/ e-Aadhaar/ Employer's card/ PAN Card/ Driving License/ Election voter's card/ Passport etc.) at the examination venue.
- g. In the absence of printed copy of Admit Letter and Original Photo Identity Card, candidates will be denied permission to write Examination.
- h. Admit letter is valid only for the examination, date/s and centre/venue mentioned in the admit letter.

## 2.MOBILE PHONES

Mobile phones and other electronic/ smart gadgets (except calculator as permissible) are not allowed in the examination hall. It is clarified that mere possession of mobile phone and other electronic/ smart gadgets in the examination hall whether in switch off mode or silent mode shall also be deemed to be resorting to adoption of unfair means in the examination.

## 3. USE OF CALCULATOR

a. Candidates will be allowed to use battery operated portable calculator in the examination. The calculator can be of any type up to 8 functions i.e. (Addition, Subtraction, Multiplication, Division, Percentage, Sq.-root, Tax+ and Tax -), 12 digits.

b. Attempt to use any other type of calculator not complying with the specifications indicated above or having more features than mentioned above shall tantamount to use of unfair means. Scientific calculator is not allowed.

## 4. OTHER RULES/ INFORMATION

a. Candidates should ensure that they sign the Attendance Sheet.

b. Candidates are advised to reach the Examination Venue before the reporting time mentioned in the admit letter. No candidate/s will be permitted to enter the Examination Venue after the gate closing time mentioned in the admit letter.

c. **No candidate will be permitted to leave the examination venue in the first 60 minutes from the scheduled start time of the examination.**

d. **Candidates should occupy the seat allotted to them at the examination hall on the exam day.**

e. Candidates would be able to login to the system only with the password mentioned in their Admit Letter. This password should not be disclosed to others. Keep it safe to avoid the possible misuse.

f. If the examination could not commence on scheduled time or there is delay due to Failure of power, Technical snag of whatsoever nature or for any such reason having bearing upon the conduct of examination; candidates have to:

i. Wait till resumption of power supply/ solving of technical snag.

ii. Take-up the examination at other venue arranged by the examination conducting authority.

iii. Follow instructions given by the examination conducting authority.

g. Candidates are required to strictly follow all the instructions given by the examination conducting authority during the examination and adhere to Rules of the examination.

h. Violation of any of the Rules/ Instructions, misuse of the Admit Letter will be considered to be an act of serious misconduct and the Institute will take action as per the Rules of the examination, which will also be reported to the employer of the candidate.

i. Always visit the website one day prior to the examination for any important updates on the exam/center/venue etc.

j. In the event of any dispute between the Institute and the member, only Competent Courts in Chennai, Kolkata, New Delhi and Mumbai alone have the jurisdiction to entertain the dispute.

k. Candidates are advised to read the IMPORTANT RULES/INFORMATION FOR CANDIDATES OF JAIIB/DB&F/CAIIB/DIPL & CERTIFICATE EXAMINATIONS on the website i.e. [www.iibf.org.in](http://www.iibf.org.in)

## 5. RULES, PENALTIES FOR MISCONDUCT/ UNFAIR PRACTICES:

- Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
- Copying answers from other candidates/ other printed/ Electronic material or permitting others to copy or consultation of any kind will attract the rules relating to unfair practices in the examination.
- No candidate shall impersonate others or allow others to impersonate himself/herself at the examination.
- No candidate shall misbehave/ argue with the Examination Conducting Authorities at the centre.
- Candidates have to compulsorily return any papers given including that given for rough work to invigilator before leaving the examination hall.
- Candidates should not possess and/ or use books, notes, periodicals, etc. in the examination hall at the time of examination/ or use mathematical tables, slide rules, stencils etc. during the examination.

If any candidate violates any of the above rules, it will be considered to be an act of misconduct and he/she will be liable for punishment.

**PLEASE REFER INSTITUTE'S WEBSITE UNDER THE MENU "EXAMINATIONS/COURSES" RELATED" FOR DETAILS OF DEBARMENT PERIOD FOR UNFAIR PRACTICES ADOPTED BY CANDIDATES DURING CONDUCT OF INSTITUTE'S EXAMINATIONS.**

Candidates may kindly note that their entire activity during the examination will be reviewed post examination. The Institute would review the audit trail reports of the candidate using a scientific method to detect adoption of unfair means. Also, the CCTV footage of centres would be reviewed. Candidates found to be adopting unfair means, using the scientific method of analysis of audit trail reports or review of CCTV footage or through any other scientific method, will be booked and appropriate action shall be initiated as per the Institute's policy. Candidates are also requested to read the Rules and Policy regarding malpractice/unfair means / misconduct / misbehaviour in Examinations from the below link:

[Rules and Policy regarding malpractice/unfair means/misconduct/misbehaviour in examination Classroom based.](#)

## 6. RESULT ADVICE/ CONSOLIDATED MARKSHEET/ FINAL CERTIFICATE

- Result Advice of candidates will be hosted on Institute's website on declaration of result, which can be downloaded by the candidates.
- Consolidated mark sheet for candidates completing examination having more than one subject, will be available on the Institute's website after the declaration of results. Candidates can download the same after entering login credentials using their membership number and edit profile password.
- Final certificate: Digitally Signed Certificate will be issued to the candidates who have enrolled and passed the examination. The Certificate will be emailed to the email-id of the candidate registered with the Institute, within 3 weeks from the date of declaration of result.

## MULTIPLE CHOICE QUESTIONS (MCQS) AND ANSWERS

"The Institute conducts its examinations through Multiple Choice Questions (MCQs). These MCQs are part of the Question Bank of the Institute and its Intellectual Property. As a matter of policy, these MCQs and their answers will not be shared by the Institute with the candidates or others and no correspondence in this regard will be entertained."

## CONTACT DETAILS:

Register your queries through website [www.iibf.org.in](http://www.iibf.org.in) > Members/ Candidates Support Services (Help) or email all your queries to [care@iibf.org.in](mailto:care@iibf.org.in)

## MEMBER SUPPORT SERVICE OFFICE:

Indian Institute of Banking & Finance

193-F, Maker Towers, 19th Floor,

Cuffe Parade, Mumbai - 400 005

Tel.: 08069260700

## FOR TRAINING/ CONTACT CLASSES RELATED QUERIES CONTACT:

Leadership Centre

Indian Institute of Banking & Finance

Kohinoor City, Commercial-II, Tower-I, 3rd Floor,

Kirol Road, Off L. B. S. Marg, Kurla West, Mumbai 400 070.

Tel.: 080692 60710

E-mail: [training@iibf.org.in](mailto:training@iibf.org.in)

## PROFESSIONAL DEVELOPMENT CENTRES:

South Zone	North Zone	East Zone
Indian Institute of Banking & Finance No.94, Jawaharlal Nehru Road, (100 Feet Road), Opp.Hotel Ambica Empire, Vadapalani, Chennai - 600 026. Tel:044- 24722990/24727961 <b>Email:<a href="mailto:iibfsz@iibf.org.in">iibfsz@iibf.org.in</a></b>	Indian Institute of Banking & Finance, Professional Development Centre, Northern Zone, C-5/30, Safdarjung Development Area(SDA), Near SDA Local Shopping complex Outer Ring Road, Opp IIT Delhi, NEW DELHI-110 016 Tel:011-2653 2194/2191 (office) <b>Email:<a href="mailto:iibfnz@iibf.org.in">iibfnz@iibf.org.in</a></b>	Indian Institute of Banking & Finance Avani Heights, 2nd Floor, 59A, Jawaharlal Nehru Road, Kolkata - 700020 <b>Email:<a href="mailto:iibfez@iibf.org.in">iibfez@iibf.org.in</a></b>

West Zone	PDC- Guwahati	PDC-Lucknow
Indian Institute of Banking & Finance Professional Development Centre 192-F, Maker Towers, 19th Floor, Cuffe Parade MUMBAI - 400 005 Tel : 022-69437301/02 <b>Email:<a href="mailto:iibfwz@iibf.org.in">iibfwz@iibf.org.in</a></b>	Indian Institute of Banking and Finance, 3rd Floor, Rani Sati Sadan, Motilal Nehru Road, Pan Bazaar, Guwahati, Assam – 781 001 <b>Email:</b> <a href="mailto:je.pdcqau1@iibf.org.in">je.pdcqau1@iibf.org.in</a>	Indian Institute of Banking & Finance A-301 3rd Floor Tower A, Bhavya Corporate Tower, Vibhuti Khand, Gomti Nagar, Lucknow 226010 (U.P.) Email: <a href="mailto:se.pcdlko1@iibf.org.in">se.pcdlko1@iibf.org.in</a>

**CORPORATE OFFICE:** Indian Institute of Banking & Finance, Kohinoor City, Commercial-II, Tower-1, 2nd Floor, Kirol Road, Kurla (West), Mumbai - 400 070  
Tel.: 080692 60710