

**Seminar on
Basel II
Implementation Challenges
in Banks**

*Focus : Credit Risk, Operational Risk and
Integrated Risk Management*

**in Association with
Federal Reserve Bank of New York, USA**

**January 15 – 16, 2007
(Location : Taj President, Mumbai)**

Distinguished Speakers

Stephanie Pisto & John Heinze
Federal Reserve Bank of New York, USA

Coordinators

**Dr Arindam Bandyopadhyay
Ms Usha Janakiraman**



National Institute of Bank Management

Seminar on Basel II Implementation Challenges in Banks

Focus : Credit Risk, Operational Risk and Integrated Risk Management

As the deadline for implementing Basel II recommendations is set (March 31, 2008 for banks with overseas presence and foreign banks in India and other banks not later than March 31, 2009), Indian banks have started their preparations for a more transparent and well integrated risk management system. Risk management discipline and banking regulation are the two key forces that represent an exceptional opportunity for banks that wish to improve their risk management frameworks to make investments that will both match the regulators' new expectations and learn the state-of-the-art techniques of shareholder value creation through risk management. While necessitating fundamental changes in the way banks identify, assess and manage the many risk (*viz.* credit risk, market risk, operational risk, etc.) they face in different business lines, the New Accord also incentivizes banks to review their business strategies and underlying risks with a view to achieving optimal allocation of capital on an integrated basis.

NIBM's objective in organizing the above seminar is to discuss about the road map for the Basel II implementation in India and its wide range of business implications and risk management challenges ahead for the Indian banking system. The seminar will also deliberate the preparedness of Indian banks at present and the challenges ahead in ushering international best practices in the area of risk management. The discussions during the seminar would help evolve strategies for meeting the complex requirements of the Accord in the light of the experiences in India and abroad. We have invited distinguished speakers from Federal Reserve Bank of New York (FRBNY) to share international best practices in the implementation of Basel II recommendations. Keynote addresses by the speakers from FRBNY will focus on capital solutions under standardized and advanced approaches of Basel II for credit risk and operational risk and guide to set-up integrated risk management system in banks. Since the new approach is a dynamic process, the seminar will also deliberate upon the impact of Basel II on banking structure and competition.

Core Contents

The seminar will focus on the following themes :

- ⇒ Designing Road Map for Basel II Implementation
 - ❖ Indian Banking System's Preparedness for Basel II Implementation
 - ❖ Implementation Challenges (Gap Analysis) in the Light of International Best Practices
- ⇒ Credit Risk Measurement and Management under Basel II
 - ❖ Modeling Credit Risk – PD, EAD and LGD
 - ❖ Data and Systems
 - ❖ Credit Risk Capital Computation
 - ❖ Validation Techniques
 - ❖ Portfolio Management of Credit Risk
 - ❖ Stress Testing and Pro-cyclicality Issues
- ⇒ Measurement and Management of Operational Risk under Basel II
 - ❖ Road Map for Implementation
 - ❖ Development of Loss Database and Identification of Business Lines
 - ❖ Quantification of Operational Risk Capital
 - ❖ Advanced Measurement Approach : Aggregate Loss Distribution
 - ❖ Challenges for Supervisors – Comparison of Model Estimates, Consistency of Treatment Across Banking Organizations

- ❖ Organizational Issues in Implementing ORM Framework
- ⇒ Integrated Risk Management Framework & Basel II
 - ❖ IRM, Economic Capital Allocation and RAPM : Issues and Strategies
 - ❖ Aligning Economic Capital and Regulatory Capital
 - ❖ Management of Integrated Risks through Optimal Capital Allocation
 - ❖ Integration of Risks : Top-down *vs.* Bottom-up Approach, Combining Tail Loss Distributions

Who should Attend?

The Seminar is intended for Executive Directors, Top Management, Heads of Risk Management Divisions and Senior Executives of banks concerned with strategic planning and implementation of Basel II.

Seminar Coordinators

Dr Arindam Bandyopadhyay
Ms Usha Janakiraman

Distinguished Speakers

Stephanie Pisto
John Heinze
Federal Reserve Bank of New York, USA

Dates

January 15 – 16, 2007

The Seminar will begin at 9.00 am on Monday, January 15 and will conclude by 5.00 pm on Tuesday, January 16, 2007.

Venue

Forum Capitol
Taj President Mumbai
90, Cuffe Parade
Mumbai 400 005
Ph : 0091-22-66650808
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Fees per Participant

US \$ 1000 for foreign participant.
Rs. 25,000 for member or Rs. 27,000 for non-member Indian participant.

The Seminar is non-residential and the fees include only the cost of tuition, course material, morning and evening tea/coffee and snacks and lunch on all the days. The fees may be remitted by demand draft/pay order made out in favour of 'National Institute of Bank Management', drawn on any bank and payable at Pune, India.

TDS Exemption

Kindly note that NIBM is exempted under Section 194 J of the Income Tax Act, 1961, and hence no tax is deductible at source from any payments made in its favour.

Nominations and Enquiries

Please address your enquiries and nominations along with the fees to :

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Last Date for Receiving Nominations

January 9, 2007