

## **LATEST DEVELOPMENTS IN RISK MANAGEMENT, BASEL III & CAPITAL ADEQUACY FOR BANKS**



**23<sup>rd</sup> February 2017, InterContinental, KUALA LUMPUR**

*SIDC CPE - accredited: 10 CPE Points*

Developments in the Basel global bank capital and regulatory framework are significant and ongoing, and are focusing on the overhaul of the standardized approaches for a multitude of risk exposure capital requirements. Other initiatives include the ongoing evolution of the Basel III framework, with specific focus on the Basel Committee on Banking Supervision's restructuring of the standardized approaches for calculation of regulatory capital requirements. The 2016 finalization of the Basel Fundamental Review of the Trading Book change processes has culminated in a new market risk capital framework (effective 2019) with the issuance of the new Basel Revised Market Capital requirements. These and other developments are covered in detail in this timely, one day seminar delivered by leading risk management experts. Also covered in detail will be the impact, scope and requirements of the Basel Pillar 2 ICAAP (Internal Capital Adequacy Assessment Process) as well as BCBS 239 Basel III reporting requirements – which some observers have described as a very significant regulatory burden for Asian banks.

### **KEY LEARNING OUTCOMES**

- Identifying key timelines, initiatives, objectives and outcomes of the Basel Committee for Banking Supervision ('BCBS') reformed framework for financial institutions
- Analysing 'BCBS 239', Basel III reporting requirements under Basel
- Understanding comparisons between the Basel II and Basel III bank balance sheet restrictions
- Examining the practicalities of the Internal Capital Adequacy Assessment Process (ICAAP) for financial institutions and the additional Pillar 2 Internal Liquidity Adequacy Assessment ('ILAAP') requirements
- Identifying the new Basel III: Interest Rate Risk Banking Book (IRBBB) Standards, and the revisions of Credit, Operational and Counterparty risk exposure measurement and capital requirements
- Examining the emphasis on stress testing of risks for financial institutions under Basel III, Pillars 1 and 2 requirements

# AGENDA

## 9.00am Introduction & Welcome

### 9.05am – 10.30am

#### Session 1: Undertaking an Overview of the Basel III Developments since 2009 and Understanding How Financial Institutions are Impacted

- Examining Basel III reforms as a significant shift from a principles-based to a rules-based framework and its expansion from the Trading Book focus of Basel II into traditional bank Banking Book activities
- Identifying key timelines, objectives and outcomes of the Basel initiative and framework
- Assessing Basel III and its impact on different types of banks: international, Asian-based, GCC-based institutions
- Implications of Basel III capital, leverage and liquidity ratios on bank balance sheet structures
- Undertaking a comparative analysis of the Basel II and Basel III bank balance sheet restrictions and economics
- Assessing the likely structure, direction and requirements for post Basel III developments

**Douglas Bongartz Renaud** — Former Global Head of Currency Derivatives and Global Head of Rate Derivatives and Structured Products, ABN AMRO

### 10.30am - 11.00am Coffee

### 11.00am - 1.00pm

#### Session 2: Examining Major Recent Changes under Basel III on Financial Institutions

- Overview of requirements on counterparty credit risk capital, central clearing (2014) and initial margining of non-cleared OTC transactions (2016)
- Analysing recently revised Market Risk Capital requirements stemming from completion of the Fundamental Review of the Trading Book process (January 2016)
- Examining the final decisions on Interest Rate Risk Banking Book (IRBBB) capital revisions (April 2016)
- Assessing the current status of the two significant remaining changes under the consultation process:
  - o Revisions of Credit Risk Capital requirements - new standardized and revised Internal Ratings based approaches, the Basel advanced model-based method for calculating credit risk regulatory capital
  - o Complete revision of Operational Risk Capital requirements

**Douglas Bongartz Renaud** — Former Global Head of Currency Derivatives and Global Head of Rate Derivatives and Structured Products, ABN AMRO

### 1.00pm - 2.00pm Lunch

### 2.00pm - 3.30pm

#### Session 3: Examining the Practical Impact of Basel III on Asian Banks and Successfully Incorporating the Internal Capital Adequacy Assessment Process (ICAAP)

- Analyzing the impact of Basel III on the Pillar 2 Internal Capital Adequacy Assessment Process (ICAAP) for financial institutions
- BCBS 239 Basel III reporting requirements under Basel III - the real regulatory burden for Asian banks
- Overview of the forthcoming Basel III, Pillar 2 Internal Liquidity Adequacy Assessment Process requirements (ILAAP)

**Eckart Koerner** — Executive Director, PwC

### 3.30pm - 4.00pm Coffee

### 4.00pm - 5.00pm

#### Session 4: Analysing the Impact of Stress Tests for Financial Institutions in Malaysia

- Overview of Stress Testing requirements under the Basel III framework
- Overview of Bank Negara Malaysia 'Stress Testing Concept Paper' (14 October 2016)
- Analysing the increasing role of stress testing in financial institution risk management and regulatory capital requirements
- What stress tests for financial institutions cover and what they don't: limitations to the tests and potential shortcomings in the process
- Preparing for and undertaking stress tests for financial institutions: determining relevant and sufficiently conservative stress scenarios across different financial institution risk classes
- The role of 'reverse stress testing'
- Examining the relevance of stress tests to banks in the Asian market and assessing results and implications

**Douglas Bongartz Renaud** — Former Global Head of Currency Derivatives and Global Head of Rate Derivatives and Structured Products, ABN AMRO

### 5.00pm Coffee and Networking

## Who Will Benefit?

This intense one day seminar has been developed to benefit banking and financial institution professionals working in finance, risk management, treasury, compliance, audit and other areas involving the Basel capital and risk management framework. The event will also benefit financial institution senior management.

## SPEAKERS

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**Douglas Bongartz-Renaud**  
**Former Global Head of  
Currency Derivatives  
and Global Head of Rate  
Derivatives and Structured  
Products**  
ABN AMRO

Douglas Bongartz-Renaud has 36 years of experience in financial markets, risk management, training and consulting for banks in Asia and the EMEA regions. He retired from ABN AMRO Bank in 2011 and moved from Amsterdam to Asia, where he continues to work with banks in the areas of Basel framework implementation, ALM, market and counterparty credit risk management, financial products and treasury trading development and training. In addition to consulting, Douglas designs and delivers detailed training workshops for clients and is a frequent speaker and trainer at risk management conferences and for trade associations such as ISDA, PRMIA, GARP and the ACI. He has delivered workshops on a range of subjects, including Basel 3, funds transfer pricing, liquidity risk management, strategic balance sheet management, credit value adjustment and counterparty credit risk, and currency options trading and structuring. During his 26 years at ABN AMRO, Douglas was based in the Netherlands where in his last position he was a principal in ABN AMRO's Risk Advisory Services business and established the market risk and treasury advisory practice. He and his team worked with over 30 client banks in Asia and MENA.

Prior to this, he was involved in risk management to structure and accelerate the process of complex derivative products development, validation and introduction. He was extensively involved with ABN AMRO's preparation and implementation of the Basel capital framework, working on Basel 3 and on CVA pricing, management and capital planning in 2011. Previously, Douglas held the positions of global head of currency derivatives and global head of rate derivatives and structured products at ABN AMRO and was responsible for building the bank's front-office financial products development group. Prior to joining ABN AMRO, Douglas worked for the former Continental Bank in London, Chicago and New York, and for two years with Brown Brothers Harriman (BBH). During these periods, he was involved in credit analysis and lending, swaps structuring and trading at Continental and with corporate transaction structuring and FX advisory at BBH. Douglas holds a Bachelor of Arts and MBA (quantitative finance) degrees from the University of Chicago, and the FRM certification from GARP. He served on the board of directors of ISDA from 1994–2008, and was the secretary of the board from 1998–2004.



**Eckart Koerner**  
**Executive Director**  
*Financial Risk Management  
Services*  
PricewaterhouseCoopers

Eckart is part of the Financial Risk Management team within PwC Malaysia. He was transferred in 2007 transferred from Germany, where he was with another Big4 audit company, having joined the financial services risk advisory team there in 1999.

He has extensive experience in risk management. In particular, he focuses on integrated risk management for banks, Basel II & III projects (risk measurement & management, internal capital adequacy assessment process, regulatory reporting), risk measurement tool development and validation. In addition, he has experience in projects for corporate treasury management and corporate financial risk management.

Eckart is also actively involved in thought leadership and has published amongst others articles on Basel III and its impact for the financial industry. Furthermore Eckart presented extensively on the subject of Basel II & III, risk management in various seminars and conducted training for clients covering amongst others topics economic capital, ICAAP, credit and market risk.

Prior to joining the advisory industry, Eckart worked several years with major financial institutions in Germany.

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RM 17,500

- Logo on all promotional activities
- 5 invitations for your colleagues and clients
- 25% discount on any additional delegate places
- Full coverage on the Seminar website including biography and hyperlinked logo
- Branding throughout the Seminar: Seminar Guide Cover, Buntings,
- Table-top space in the breakout area during the Seminar
- Guaranteed prime session participation
- One exclusive seat-drop during the Seminar
- Full delegate list within one week post Seminar
- Post-Seminar questionnaire results

### Partner:

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- Post-Seminar questionnaire results

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## BOOKING DETAILS

I am booking:	Price per Delegate	Total Price	Early Bird 15% Discount
<input type="checkbox"/> 1 delegate	RM 2,150	<b>RM 2,150</b>	<b>RM 1,827</b>
<input type="checkbox"/> 2 delegates	RM 1,935 (10%)	<b>RM 3,870</b>	<b>RM 3,289</b>
<input type="checkbox"/> 3 delegates	RM 1,720 (20%)	<b>RM 5,160</b>	<b>RM 4,386</b>
<input type="checkbox"/> 4 delegates	RM 1,505 (30%)	<b>RM 6,020</b>	<b>RM 5,117</b>
<input type="checkbox"/> 5 delegates	RM 1,290 (40%)	<b>RM 6,450</b>	<b>RM 5,482</b>

\* Further attractive packages are available for groups of more than five. Please contact us directly.

**Online training option:** I would like to also enrol for the online course, **Shariah Risk & Governance Framework for Islamic Financial Institutions** for the special price of RM200 per user. Please tick here

### Available Discounts

**Early Bird:** Registrations received on or before 23<sup>rd</sup> January 2017, will receive a 15% discount. No discount shall be given to registrations received after this cut-off date.

**Discount for Active Subscribers of Islamic Finance news:** If you are a current IFN subscriber, you shall receive a flat 20% discount. Please tick here

**Loyalty Program:** 50% discount on other seminars attended within a 12-month period and non-transferrable. Please tick here

## DELEGATE DETAILS

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4 _____ / _____ / _____ / _____			
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Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

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To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

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By email: [seminars@redmoneygroup.com](mailto:seminars@redmoneygroup.com) By fax: +603 2162 7810

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Our address is: REDmoney, Suite 22-06, 22<sup>nd</sup> Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur

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