



BASEL II RISK-BASED CAPITAL FRAMEWORK

A Rapid, Focused and Cost – Effective Approach To Mobilisation of an Enterprise-Wide Risk Management Programme

21-22 June 2006 * JW Marriott Hotel Kuala Lumpur, Malaysia

In 1998 a Capital Accord was proposed by the Bank for International Settlement and accepted by major financially active nations. This laid down the amount of capital that a financial institution had to retain in order to have some safeguard against adverse market conditions.

This has been updated to incorporate more flexibility, to give well-governed institutions more capital benefit for their efforts and to include conditions on sound risk management and disclosure of risk and capital activities.

This update, the New Basel Capital Accord, known as Basel II, is in final draft stages and will be implemented from 2007 onwards. Basel II requires that each part of an organisation understands its obligations and the activities it needs to carry out for compliance. A **Risk Culture** needs to be created.

To **create the culture**, we specifically designed this course so as:

- ✓ To accelerate **awareness** of the requirements of Basel II
- ✓ To develop the **strategy and implementation** programme that needs to be put in place, and
- ✓ To facilitate **the deployment / roll-out** of the policy

For: supervisors involved in risk identification and assessment, users to know the regulations and their obligations in risk incident handling, and customer-facing-staff who must explain the company's risk policies.

Strictly limited seating to ensure value added to all Participants - Comprehensive course materials will be provided

Delegates who successfully complete this course will receive the **Asia Pacific Centre for Continuing and Professional Development Certificate for Participation**

BASEL II RISK-BASED

WHY YOU CANNOT MISS THIS COURSE

- ✓ **UNDERSTAND** the requirements of Basel II and its background
- ✓ **SPECIFY** the data requirements for the key calculations involved in various approaches
- ✓ **PERFORM** the calculations for both the Standardised and IRB approaches
- ✓ **UNDERSTAND** the advanced approaches for credit risk as well as operational risk
- ✓ **IDENTIFY** the specific issues to be addressed under supervisory review process (Pillar 2)
- ✓ **UNDERSTAND** the general considerations with regard to disclosure requirements (Pillar 3)
- ✓ **DEVELOP** a plan of action for people / data / software and procedures

WHO SHOULD ATTEND

No programme can be considered successful unless it has been accepted and willingly adopted by all relevant users – the whole organisation in this case. This involves both winning the hearts and minds of the users, and the installation of the necessary maintenance and support processes.

- Senior management needs to know their obligations and to be able to understand and manage the risk profile of the organisation
- Middle management must be able to assess risks and controls, take formal preventative actions and manage incidents
- Supervisors and staff must be able to collect the necessary control and event data
- Client-facing staff must be able to explain their organisation's position with regards to risk, controls and Basel II

PROGRAMME AGENDA

DAY ONE: 21 JUNE 2006, WEDNESDAY

SCOPE OF APPLICATION

- Introduction
- Banking, securities and other financial subsidiaries
- Significant minority investments in banking, securities
- Insurance entities
- Significant investments in commercial entities
- Deduction of investments pursuant to this part

THE FIRST PILLAR – MINIMUM CAPITAL REQUIREMENTS

- Calculation of minimum capital requirements
- Regulatory capital
- Risk-weighted assets
- Transitional arrangements

CREDIT RISK – THE STANDARDISED APPROACH

- Individual claims
- External credit assessments
- Implementation considerations
- The standardised approach – credit risk mitigation
 - ❖ Overarching issues
 - ❖ Overview of Credit Mitigation Techniques
 - ❖ Collateral
 - ❖ On-balance sheet netting
 - ❖ Guarantees and credit derivatives
 - ❖ Maturity mismatches
 - ❖ Other items related to the treatment of CRM techniques

CREDIT RISK – THE INTERNAL RATINGS-BASED (IRB) APPROACH

- Overview
- Mechanics of the IRB Approach
- Rules for corporate, sovereign, and bank exposures
- Rules for Retail Exposures
- Rules for Equity Exposures
- Rules for Purchased Receivables
- Treatment of Expected Losses and Recognition of Provisions
- Minimum Requirements for IRB Approach

CREDIT RISK – SECURITISATION FRAMEWORK

- Scope and definitions of transaction covered under the securitisation
- Definitions and general terminology
- Operational requirements for the recognition of risk transference
- Treatment of securitisation exposures

DAY ONE TIMETABLE:

8:00am	Registration and Coffee
9:00am	Program Commences
10:30am to 10:45am	Morning Refreshment
12:30pm to 1:30pm	Lunch
3:00pm to 3:15pm	Afternoon Refreshment
5:00pm	End of Day one

CAPITAL FRAMEWORK

DAY TWO: 22 JUNE 2006, THURSDAY

OPERATIONAL RISK

- Definition of operational risk
- The measurement methodologies
 - ❖ The Basic Indicator Approach
 - ❖ The Standardised Approach
 - ❖ Advanced Measurement Approach (AMA)
- Qualifying criteria
- Partial use

TRADING BOOK ISSUES

- Definition of the trading book
- Prudent valuation guidance
- Treatment of counter-party credit risk in trading book
- Trading book capital treatment for specific risk under the standardised methodology


THE SECOND PILLAR – SUPERVISORY REVIEW PROCESS

- Importance of supervisory review
- Four key principle of supervisory review
- Specific issues to be addressed under the supervisory review process
 - ❖ Interest rate risk in the banking book
 - ❖ Credit risk
 - ❖ Operational risk
 - ❖ Market risk
 - ▶ Policies and procedures for trading book eligibility
 - ▶ Valuation
 - ▶ Stress testing under the internal models approach
 - ▶ Specific risk modelling under the internal models approach
- Other aspects of the supervisory review process
- Supervisory review process for securitisation

THE THIRD PILLAR – MARKET DISCIPLINE

- General considerations
- The disclosure requirements

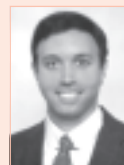
ACT NOW! REGISTER TODAY!

FAX  (603) 2070 3369 OR

CALL  (603) 2070 3299

DAY TWO TIMETABLE:

8:30am	Coffee/Tea
9:00am	Program Commences
10:30am to 10:45am	Morning Refreshment
12:30pm to 1:30pm	Lunch
3:00pm to 3:15pm	Afternoon Refreshment
5:00pm	End of Program



ABOUT YOUR COURSE LEADER

Dr. Michael A. S. Guth is a trilingual (English, German, French) business transactions lawyer and financial manager with more than 15 years experience and legal expertise in the areas of mergers, acquisitions, and divestitures; securities regulation and hedge fund creation; and deal structuring/business transactions. To further compliment his legal skill set, Dr. Guth is an experienced investment banker having worked within the top tier investment banks, namely Credit Suisse and Deutsche Bank. He advised clients on pre-IPO investments, stock repurchases, and using structured finance products to manage risk. More recently, he directed the risk management and financial control groups for two trading floors. In this latter role, he gained expertise on financial risk assessment, which is a central focus of the Basel II risk-based capital framework.

Dr. Guth received his bachelor's degree in economics from Rice University, in Houston, Texas. From there he became a doctoral student in Social Science at Caltech, Pasadena, California. He wrote the draft for his doctoral dissertation at Caltech at the age of 21 and went on to complete his doctorate in economics from the University of Tennessee, Knoxville, which also awarded him a law degree nine years later. Dr. Guth graduated second in his class from law school, passed the bar exam for Tennessee, and has been practicing law in the state of Tennessee, USA, for more than eight years.

As a management consultant with more than ten years experience, Dr. Guth provides a combination of strategic planning and corporate financial advisory services. He advises clients on conventional negotiated acquisitions (asset purchases and mergers); leveraged purchase techniques; and tax and financial aspects of business transactions. A complete description of his corporate finance and quantitative finance consulting practice can be found on the Internet at <http://michaelguth.com/economist.htm>

Dr. Guth serves as an adjunct faculty member of Touro University International (TUI) in California, Taft University Law School in California, and Charter Oak State College in Connecticut. In all, Dr. Guth has taught more than 25 university courses at the graduate and undergraduate level. He has also published more than twenty articles in refereed journals, and has written a book entitled SPECULATIVE BEHAVIOR AND THE OPERATION OF COMPETITIVE MARKETS UNDER UNCERTAINTY, which received praise from a former president of the American Economics Association and a Nobel Laureate.

BASEL II RISK-BASED CAPITAL FRAMEWORK

21-22 June 2006
JW Marriott Hotel Kuala Lumpur, Malaysia

Yes! Please register the following delegate(s) for **Basel II Risk-Based Capital Framework**

1st Delegate Mr/Mrs/Ms

(Name): _____
Job title: _____ Department: _____
Telephone: _____ Fax: _____
Email: _____

2nd Delegate Mr/Mrs/Ms

(Name): _____
Job title: _____ Department: _____
Telephone: _____ Fax: _____
Email: _____

3rd Delegate Mr/Mrs/Ms

(Name): _____
Job title: _____ Department: _____
Telephone: _____ Fax: _____
Email: _____

Booking Contact (Approving Manager) Mr/Mrs/Ms: _____
Job title: _____ Department: _____
Telephone: _____ Fax: _____
Email: _____
Organisation: _____
Address: _____
Post code: _____

COURSE FEES

- Regular fee RM4,995
- "Early Bird" fee is RM4,695 (Provided that payment and registration are received by **19 May 2006**)
- Group Discount: Enjoy a group discount of 10% for 3 or more delegates booked at the same time from the same organisation and of the same billing source.

Important Notice: Payments are required with registration and must be received prior to the Course to guarantee your place.

PAYMENT METHODS

- **CHEQUE / BANK DRAFT**
Please cross cheque or bank draft made payable to **ASIA BUSINESS FORUM SDN BHD** and mail your payment together with this registration to **Suite 20.05, Level 20, Wisma Goldhill, 67 Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia**. Enclosed is our cheque/draft for RM _____
- **CREDIT CARD (AMEX ONLY)** Please debit my Amex.

Card Number:

Card Holder's Name _____

Signature _____ Expiry Date _____ / _____

5 EASY WAYS TO REGISTER



TELEPHONE: (603) 2070 3299



FAX: complete and send this registration form to : (603) 2070 3369



MAIL: this completed form together with payment to:
Asia Business Forum Sdn Bhd
Suite 20.05, Level 20, Wisma Goldhill,
67 Jalan Raja Chulan, 50200 Kuala Lumpur,
Malaysia



EMAIL: puvanes@abf-asia.com



WEB: <http://www.abf-asia.com>

Course fee includes course tuition, lunch, refreshments, teaching materials. Hotel accommodation is excluded but special rates have been negotiated (see below).

CANCELLATIONS & TRANSFERS

If you are unable to attend, a substitute delegate is welcome at no extra charge. Please provide the name and the title of the substitute delegate at least 2 days prior to the Course. A complete set of course documentation and a 50% refund will be given for cancellation received in writing by **12 June 2006**. Regrettably, no refund can be made for cancellation received after 12 June 2006. A complete set of documentation will however be sent to you.

The Organiser reserves the right to make any amendments, cancel and/or change the programme, speaker, date or venue if warranted by circumstances beyond its control. In the unlikely event of programme cancellation by Asia Business Forum ("ABF") then a full refund of the fee payment will be made but ABF disclaims any further liability.

CONFERENCE VENUE & ACCOMMODATION INFORMATION

JW Marriott Hotel Kuala Lumpur, Malaysia
183 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
Tel:(603) 2715 9000 Fax:(603) 2715 7012
Website: www.ytlhotels.com
Attn: Room Reservation Department

For reservations, please make your bookings direct with the hotel. To enjoy the special room rates, please quote Asia Business Forum's "**Basel II Risk-Based Capital Framework**". Hotel bills are to be settled by delegates direct with the hotel. Hotel reservations and travel arrangements are the responsibilities of the registrant. Please note that hotel rooms are available on a first-come-first-served basis.

INCORRECT MAILING INFORMATION

It is possible that you may receive multiple mailings of this event or incorrect company details on the labels, for which we apologise. If this happens, please let us know so that we can update our database immediately. If you do not wish to have your name on our mailing list, please let us know and we will remove it from our listing.

visit us at www.abf-asia.com

FOR OFFICIAL USE

FEE RECEIVED					ADMISSION FORM SENT 6022M/DK/AH																					
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	EQ

Copyright @ March 2006