

Program on Credit Risk Management and Regulatory Capital

Program Description

Credit risk management in banks might undergo a fundamental transformation due to the regulatory changes in pipeline. In December 2015, the Basel Committee on Banking Supervision published the second consultative document for revisions to the standardised approach for credit risk. The revision seeks to balance simplicity and risk sensitivity and to promote comparability by reducing variability in risk-weighted assets across banks and jurisdictions. It is proposed to make the standardised approach as a suitable alternative and complement to the Internal Ratings-Based (IRB) approach.

The IRB Approach may itself undergo a change. In order to address the concerns arising out of lack of comparability of capital requirements under the IRB approach across institutions, the Basel Committee is working on proposals to put constraints on credit risk model parameter estimates, such as restrictions on loss-given-default (LGD) estimates for low-default exposures; simplification and harmonisation of the credit risk mitigation framework; and alignment of the definitions of exposures under the IRB and revised standardised approaches.

The assessment of regulatory capital requirements in Pillar 2 under Basel III has to consider the interaction between Basel III capital buffers and capital planning under Pillar 2. The qualitative aspects of Pillar 2— risk appetite, risk governance and controls—become very important, especially for the systemic banks.

In the Indian context, banks are planning to implement IRB Approaches. What are the key issues and challenges in this migration? How do banks define their credit risk appetite, how effective is their credit risk governance and controls? How much capital does the banking system need and how should the banks undertake their capital planning for being Basel III compliant?

Program Highlights

In the context of the above developments at the global and Indian level, the Program will focus on practical implementation issues. Experts from abroad and India (please see Annex) will make presentations on topics such as:

- Balancing simplicity and risk sensitivity: The Revised Standardised Approach for Credit Risk
- Recent International Developments in implementing IRB Approach
- What are the key issues and challenges in migration to IRB Approaches by Indian Banks from a supervisory perspective?
- Preparing for implementation of the IRB Approach in a bank
- Implementing Pillar 2 under Basel III – Latest International Developments
- Role of credit bureaus in managing credit risk
- Managing credit risk: risk appetite, risk culture and risk quantification
- Implementing Basel III: Capital Needs and Capital Planning by Indian Banks

Program Conditions

- Program fee is payable before the program.
- Nomination may be cancelled up to seven days before the program.
- Organisation may depute another officer for the program, if the nominated person cannot attend the program.
- Program fees will not be refunded, if the nomination is cancelled within seven days of the program.

Date: April 12-13, 2016

Time: 9:00 AM to 6:00 PM

Venue: Taj Lands End, Bandra West, Mumbai

Type: Non-Residential program

Fee (per nomination):

Indian participant: Rs. 50,000/- + @14% service tax + @0.5% Swachh Bharat cess

Foreign participant: USD 1000

Nominations now open

For the **nomination form** please visit our site www.cafral.org.in Or click on the direct link below:

www.cafral.org.in/Credit-Risk

Participant Profile

This program is specifically designed for senior officials of Commercial Banks, Central Banks, Supervisory Agencies, and Deposit Insurance Agencies.

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