



## Indian Banks' Association

### Chief Executive

COMN/IBA-SPMEDIA/R&C/2012/4822

January 6, 2012

### Chief Executives of IBA Members Banks

Dear Sir/Madam,

#### 6<sup>th</sup> Annual Risk & Compliance Summit 2012 –

**Thursday, February 9, 2012 – Hotel Vivanta President by Taj, Cuffe Parade, Mumbai**

The 6<sup>th</sup> Annual 'Risk & Compliance Summit 2012' organized by Indian Banks' Association and SP Media is scheduled to be held on **Thursday, February 9, 2012 at Hotel Vivanta President by Taj [Hotel Taj President], Cuffe Parade, Mumbai from 9.30 a.m. to 5.30 p.m.** The Theme of the Conference is "**Basel III: Draft RBI Guidelines**". M/s. Aptivaa Consulting is the Knowledge Partner.

In light of the proposed Basel III guidelines for capital requirement, RBI released its own draft guidelines on Basel III capital requirement standard on December 30, 2011 and invited all banks to offer suggestions on the draft guidelines by February 15, 2012. BCBS proposed document on capital and liquidity requirement guidelines, "*Basel III: A global regulatory framework for resilient banks and banking systems*" and "*Basel III: International framework for liquidity risk measurement, standard and monitoring*", in 2010 aimed at improving the banks' ability to absorb stress in periods of financial turmoil. One of the major fallouts of the recent financial crisis was the failure of the existing risk management practices as most internationally active banks fell short of their adequate capital requirement to absorb the shocks in stressed market conditions. This underpins the significance of the new capital standards drafted by RBI.

The agenda of the discussion would be to discuss the challenges involved in its implementation and the impact of the guidelines on Indian banking industry.

#### **Credit Risk Management: Internal Ratings Based Approaches**

As a part of its endeavor to adopt Basel II Advanced Approaches in risk management, the RBI recently released the final guidelines for adoption of Internal Rating Based Approaches (IRB) for calculation of credit risk capital charge. Banks seeking for approval are invited to submit the application from the earliest date of April 1, 2012 and seek final approval by March 31, 2014. Within the IRB Approach framework, the capital for credit risk is to be computed using the bank's internally determined ratings and risk parameter estimates (PD, LGD, and EAD). Banks, which intend to migrate to IRB approach for computation of credit capital risk charge, must assess their readiness with reference to the final guidelines. Banks must satisfy the 'use test', which means that the rating system must be used internally

in the risk management practices of the bank. A rating system solely devised for calculating regulatory capital is not acceptable. While banks are encouraged to improve their rating systems over time, they are required to demonstrate the use of risk parameters for risk management for at least three years prior to obtaining qualification.

The agenda of the discussion would be to discuss the challenges involved in its implementation and the roadmap to its compliance.

Besides the above topics, discussions will also cover the following topics, and a few others as well:

- “**AML: Key Policy Changes**”
- “**Automated Data Flow: Implementation Best Practices**”
- “**Liquidity Risk Management in the New Basel III Regime**”.

The programme targets Officials at the level of Chief Risk Officers, Chief Financial Officers, Chief Operating Officers, Chief Compliance Officers, MLROs, as well as Senior Management Officials in the Risk Management, Compliance, Audit, Technology, Budgeting & Performance Planning Departments of Banks.

**Registration Fees :-**

Individual : Members : Rs. 8,000/- + Service Tax @ 10.3%  
Non-Members : Rs. 9,000/- + Service Tax @ 10.3%

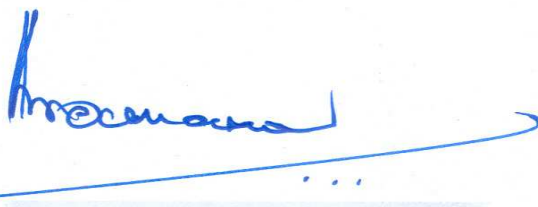
Group : Members : Rs.32,000/- + Service Tax @ 10.3% (for 5 officials)  
Non-Members: Rs.36,000/- + Service Tax @ 10.3% (for 5 officials)

We solicit nominations of Officials from your bank/institution for making the Summit a huge success. The **Registration Form** is enclosed. We request you to send your nomination/s before **January 31, 2012** by cheque/ DD favouring **‘SP Media Pvt. Ltd.’** payable at **Pune** or **bank transfer** (details given in the registration form). The nominations can be faxed on 022 2218 4222/2215 4131 or email to: [venkatachalam@iba.org.in](mailto:venkatachalam@iba.org.in) and [oliver@sp-media.co.in](mailto:oliver@sp-media.co.in)

Please note that we have discontinued the practice of sending confirmations. All nominations may be treated as confirmed and the nominee / s may be requested to report at the conference venue.

Looking forward to meeting you at the Summit.

Yours faithfully,



**K Ramakrishnan**

c.c.: ✓ **Executive Director and Chief General Manager, Reserve Bank of India,**  
✓ **Chief of Personnel/HR, Public Sector Banks/Heads of Credit / Finance,**  
✓ **Heads of Mumbai Offices of IBA Member Banks**