Seminar on Practical Techniques for the Management and Measurement of Operational Risk

Basel, Switzerland, 18–20 October 2005

Agenda

Objectives

The seminar will provide a platform for speakers and participants to discuss implementation and practical application issues related to operational risk management, measurement and capital allocation under Basel II.

Participants to the seminar are expected to have a broad understanding of the Basel Committee's recommendations on sound practices for the management and supervision of operational risk[1] as well as the proposed methodologies for allocating capital using the new capital adequacy framework. Access to the relevant FSI Connect[2] tutorials will be provided to assist participants with their review of the key elements of Basel II and its operational risk components. Participants should be prepared to actively contribute during the sessions and to share their local market and supervisory perspectives throughout the seminar.

Tuesday, 18 October

09:00 **Welcoming Remarks**

Mr Josef Tošovský, Chairman, Financial Stability Institute, BIS, Basel

09:05 **Overview of the Seminar**

Mr Juan Carlos Crisanto, Senior Financial Sector Specialist, Financial Stability Institute, BIS, Basel

09:25 **Latest Discussions and Work of the Accord Implementation Group on Operational Risk (AIGOR)**

- Governance
- Data
- Quantification
- Home-host supervisory relationships

Mr Jeff Miller, Member of the Secretariat, Basel Committee on Banking Supervision BIS, Basel

1 BCBS, Sound Practices for the Management and Supervision of Operational Risk, February 2003, http://www.bis.org/publ/bcbs96.pdf

2 FSI's web-based learning and information tool for financial sector supervisors which was launched in June 2004.

11:00 Group picture

11:10 Coffee break

11:30 **Recent Developments on the Implementation of the Basel II Operational Risk Rules in the US**

- US implementation strategy
- Findings of the recent quantitative impact studies, loss data collection exercise and benchmarking exercise
- Current areas of work

Mr Eric Rosengren, Senior Vice President, Federal Reserve Bank of Boston, US

13:00 Lunch

14:30 **Implementing Capital Requirements for Operational Risk across the European Union**

- EU implementation strategy
- AMA guidelines
- Current areas of work

Mr Marco Moscadelli, Banca d'Italia and Chairman of the Committee of European Banking Supervisors (CEBS) Working Group on Operational Risk

16:00 Coffee break

16:30 **Roundtable Discussion: Latest Developments in the Implementation of the Operational Risk Elements of Basel II**

Each participant should be prepared to make a short statement on the degree of implementation in their jurisdictions of:

- *Sound practices for operational risk management*
- *Implementation of operational risk Rules in Basel II*
- *Current challenges related to the crossborder implementation of Basel II*

Mr Juan Carlos Crisanto, Senior Financial Sector Specialist, Financial Stability Institute, BIS, Basel

18:00 End of Session

18:30 Cocktail Reception– BIS, 18th floor

Wednesday, 19 October

09:00 **Allocating Capital Requirements Using the Simpler Approaches in Basel II – Implementation Issues**

- EU guidelines
- Italian implementation strategy
- Business Line Mapping

Mr Marco Moscadelli, Banca d'Italia and Chairman of the Committee of European Banking Supervisors (CEBS) Working Group on Operational Risk

10:30 Coffee Break

11:00 **Implementing a Sound Operational Risk Management Framework at HSBC**

Ms Hazel V Taylor, Head of Operational Risk and Regulatory Reporting, HSBC Holdings plc, London

12:30 Lunch

14:00 **Adopting a Comprehensive AMA Approach at a Commercial Bank: The Experience of Citigroup**

Mr Rudi De Koker, Co-Head of Risk Analytics, Risk Architecture, Citigroup, London

15:30 Coffee Break

16:00 **Using External Data into an Operational Risk Management and Measurement Framework**

Mr Gerrit Jan van de Lagemaat, Senior Vice President, Operational Risk Policy, ABN AMRO, The Netherlands

17:30 End of Session

18:00 Bus depart for Dinner at Restaurant “Der Vierte Koenig”

Thursday, 20 October

09:00 **Linking the Results of Qualitative Assessments to the Operational Risk Quantification Process**

Mr Giorgio Glinni, Senior Risk Analyst, Risk Control, BIS, Basel

10:30 Coffee break

11:00 **Using Scenario Analysis to estimate Operational Risk Capital**

Mr James Elder, Director, Risk Measurement & Management Department, Credit Suisse First Boston, London

12:30 Lunch

14:00 **What are the Challenges in Developing a Truly Integrated Operational Risk Management Framework?**

Mr Ali Samad-Khan, President, OpRisk Advisory LLC, Stamford

Mr Armin Rheinbay, Principal, OpRisk Advisory Europe, Zurich

15:30 Coffee break

16:00 **How to Solve the Problem of Modelling Operational Risk with Limited Loss Data**

Mr Ali Samad-Khan, President, OpRisk Advisory LLC, Stamford

17:30 Final Remarks and End of the Seminar