



## Overview of Basel III

Increasingly more banks must comply with Basel II requirements. These regulatory requirements are having a significant impact on banks' risk management, regulatory requirements and compliance, and the use of derivatives. This one-day course is targeted to professionals who need an overview of the key components of Basel II requirements.

### Targeted Audience

Professionals who need an overview of the key components of Basel II requirements

### Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

### Advance Preparation

No advance preparation required.

### Prerequisites

Basic knowledge of banking, cash products and derivatives

### Learning Objectives

Students will be able to:

- . Define operations risk

- . Identify key components of The Basel Accord
- . Identify the key requirements of Basel II
- . Compare and contrast Basel I and II
- . Evaluate advantages and disadvantages to Basel II

## **Alumni Comments**

*"Good instructor and good material!"*

*"The instructor was a very clear speaker and interesting to listen to."*

*"Excellent instructor and well-organized material!"*

*"The course was very interactive."*

## **Follow-Up Courses**

Basel III and Credit Risk Measurement

Basel III: Measuring & Managing Operational Risk

**Level: Basic**

**CPE Credits: 7.0**

**Instructional Method: Group-Live**

## **Detailed Outline**

### **Summary of events leading to The Basel Accord**

- . End of Bretton Woods
- . Change in interest rate regimes
- . Herstatt Risk

### **Overview of The Basel Accord**

- . Requirements for credit and market risks
- . Critiques of the accord

## **Influence of Risks and Risk Management on Basel II**

- . Evolving definitions of risk
- . Increased demand for better risk management

## **Architecture of Basel II**

- . Comprised of three pillars
- . Comparison of Basel I/Basel II

## **Pillar I**

- . Minimum regulatory capital calculation for
  - . - Credit risk
  - . - Market risk
  - . - Operations risk

## **Overview of Pillar II**

- . Supervisory Review
  - . - Banks' audit and compliance capacity
  - . - Increased pressure on central bank examiners

## **Overview of Pillar III**

- . Market discipline
- . Increased disclosure requirements

## **Summary**

- . Implementation for the US and globally
- . Pending issues and possible future developments

## **Articles written by Instructor**

[http://www.worldoil.com/magazine/magazine\\_detail.asp?ART\\_ID=3149](http://www.worldoil.com/magazine/magazine_detail.asp?ART_ID=3149)

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