



Basel II and Credit Risk

Basel II is a requirement for many banks. This course provides a comprehensive study of the credit, market and operational risk requirements.

Available Session(s):

29-Oct-2008 -- 31-Oct-2008	New York	USD \$3275
NY Institute of Finance - Midtown	9:00am - 4:30pm	Wed Thu Fri

Instructor(s):[Mayra Rodríguez Valladares;]

Targeted Audience

Credit and risk officers, business analysts working on Basel II, audit and compliance officers, regulators, finance and IT personnel.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

General knowledge of banking products, preferably to include on and off balance sheet products and derivatives.

Learning Objectives

Students will be able to:

- Understand the background for and context of the Basel II Credit Risk requirements.

- Define the data requirements for the key calculations for all of the approaches and for all of the main exposure types.
- Execute the basic calculations for both the Standardized and IRB approaches.
- Understand the issues for Pillar 2 and Pillar 3 compliance.

Alumni Comments

"A very knowledgeable instructor, who was open to further discuss specific topics."

"The course included relevant and timely materials."

Level: Intermediate

CPE Credits: 21.5

Instructional Method: Group-Live

Detailed Outline

Focus on Risks and Risk Management

- Identify key risks in financial institutions
- Evaluate interconnectedness of risks
- Evaluate why financial risks led to the Basel Accord and Basel II

Overview of the Basel Accord

- Identify Herstatt risk
- Evaluate key factors leading to the Basel Accord
- Identify key amendments to the Basel Accord

Overview of Basel II

- Identify framework of Basel II and its objectives
- Identify Basel II's scope of application
- Evaluate interconnectedness of Basel II's pillars
- Differentiate between Basel I and II

Overview of Pillar I

- Identify key concepts in Pillar I
- Define components of capital
- Identify application of Pillar I to credit risk

Minimum Capital Requirements for Credit Risk: Standardized Approach

- Identify three approaches to credit risk measurement
- Evaluate inputs required for Pillar I approaches
- Evaluate requirements for Standardized Approach

Minimum Capital Requirements for Credit Risk: Internal Rating Based

Approaches

- Identify key aspects of the Foundation and Advanced Internal Rating Based approaches
- Explore ISDA concerns about advanced approaches
- Evaluate securitization guidance under Basel II

Treatment of SMEs

- Evaluate requirements for SMEs
- Identify concerns with SMEs

Pillar I and Market Risk

- Define market risk
- Identify market risk
- Evaluate market risk within Pillar I context

Pillar I and Operations Risk

- Define operational risk
- Identify operational risk
- Evaluate operational risk within Pillar I context

Pillar II and Credit Risk

- Identify key concepts in Pillar II
- Identify application of Pillar II to credit risk

Pillar III and Credit Risk

- Identify key concepts in Pillar III
- Identify application of Pillar III to credit risk

Implications of and Compliance with Basel II

- Evaluate different views on the proposed Basel II
- Identify concerns from different countries about readiness to comply

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