

Workshop on **Basel II**

Date:

5th February 2009

Venue:

*Brickwork Ratings Facility
Bangalore*



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Workshop on Basel II

Basel II - What does it mean?

Bank for International Settlements (BIS) based in Basel, Switzerland has come out with guidelines for risk assessment in banks. The Basel Committee on Banking Supervision (BCBS) came up with initial guidelines in the late eighties. The guidelines were adopted by the RBI in 1992. The RBI introduced certain amendments and issued new guidelines in 2004. Later, based on the revised framework of BCBS issued in 2004, November 2005 as well the comprehensive version in 2006, the RBI issued comprehensive guidelines for banks in April 2007.

The RBI suggested parallel run of the banks to conform to the Basel guidelines by March 2009. Banks were expected to apply prudential guidelines on capital adequacy to compute CRAR (Capital to Risk Weighted Assets Ratio) under both Basel I and Basel II. Banks were also expected to articulate ICAAP (Internal Capital Adequacy Assessment Process).

Banks would begin with the standardized approach and later move to Internal Ratings Based Approach (IRBA) with permission of the RBI. Banks have been asked to use the Basic Indicator Approach for operational risk.

Off Balance Sheet Items

Capital charges for various items, credit conversion factors for letters of guarantee, bankers acceptances, sale and repurchase of assets, forward contracts, note issuance facilities, take out finance etc will be dealt with. In addition the market related off balance sheet items like interest rate contracts, foreign exchange futures forwards, swaps, will also be discussed.

Market Risk, Operational Risk

The concept of market risk, operational risk and capital charges will be discussed. Banks' asset liability matching policy will also be dealt with. The use of external credit rating agencies will be touched upon.

Capital Adequacy Basics

The session will cover definition of capital, capital to risk weighted ratio CRAR, Tier I, Tier II capital structures, hybrid debt instruments, subordinated debt etc.

Credit Risk Management

This session will cover capital charges for various instruments and claims on sovereign, both domestic and foreign, claims on PSEs, MDB, BIS, banks, primary dealers, corporate, and retail loans. The qualifying criterion orientation, product and granularity shall be discussed. Charges for residential and commercial real estate loans will be covered with latest RBI guidelines.

Faculty Profile

Mr. P S Kulkarni, Training Consultant, Brickwork Ratings

He is a Post-Graduate from the Karnataka University. He has completed 38 successful years of banking service and risen to the cadre of Assistant General Manager in one of the leading nationalized banks. His major area of expertise is in training bankers. He is versatile in training systems, particularly in credit, risk, corporate governance, KYC and AML. He has conducted an All-India campaign on risk based audit while working, with a private sector bank. Presently he serves in the National Institute of Rural Banking Training College in Bangalore.

Mr. K C Holla, Vice-President, Brickwork Ratings

Graduated from Bhandarkar's College, Coondapur, in 1970; Completed CAIIB while working for a Public Sector Bank; Attained the Cadre of Assistant General Manager; Completed 36 years of successful tenure in the banking sector; worked for one year in a leading private sector bank. Sharing knowledge and training people are hobbies. Forex, General Banking & Factoring are his areas of interest and passion.

Fees: The workshop fees are Rs. 4500/- for one day. Snacks and lunch will be provided at the venue.

You can register by sending an email to **conference@brickworkratings.com** with your name, designation, company name, address, phone number and email address.

Cheque/DD for Rs. 4500/- should be in favor of **Brickwork Ratings India Pvt. Ltd.** payable at Bangalore.



About Brickwork Ratings

Brickwork Ratings is a SEBI licensed credit rating agency in India, based in Bangalore, which is committed to spread of financial literacy (www.financial-literacy.in) in India. Brickwork was formulated with the specific objective of providing strong research-based information for Indian investors to make the most appropriate investment decisions. Brickwork uses most relevant information, both on-balance and off-balance sheet assets and liabilities, management quality, as well as the latest financial technology to decide on ratings. Brickwork Ratings focuses on the Indian investment scene and is completely in tune with the Indian business, sociopolitical- economic developments, market psychology and Indian investor risk profile.

Venue:

Brickwork Ratings

55, 1st Main, 3rd Phase, JP Nagar (Opp. Mini Forest)
Bangalore - 560 078

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Advanced Financial Management for Managers

Financial Due Diligence

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