

**The Fee is inclusive of :**

- \* **Accommodation**
- \* **Breakfast**
- \* **Lunch**
- \* **Dinner**

## ***IBFIM'S PREMIER PROGRAMME***

### **The Speakers**



Abdullah Haron



Brandon Davies



Habib Motani



Peter Kohut

## **BASEL III : THE IMPACT TO ISLAMIC FINANCE**

∞ 11 - 12 JULY 2011 ∞

∞ THE ANDAMAN LANGKAWI, MALAYSIA ∞

The Islamic Financial Services Board (IFSB), based in Kuala Lumpur has worked hard to develop standards or guidelines that address risk issues specific to Islamic financing, as well as adapting elements from the Basel standards to make them more relevant to Islamic banks. However a greater collaboration between the Basel committee and IFSB is needed to address credit, market, operational and liquidity risks inherent to Islamic banks, as well as risks peculiar to Islamic banking transactions, such as Shariah non-compliance risk, rate-of-return risk, displaced commercial risk, and inventory and equity investment risks.

While Islamic institutions in Malaysia have adopted the Basel II standards, with most adhering to the standardized approach to risk measurement there is some debate over how the new set of international capital adequacy standards in the Basel III proposals would be adapted to fit the market dynamics where Islamic finance is prevalent. This program highlights the challenges and complexity of dealing and adhering to Basel III accord and uses real life case studies to demonstrate how Islamic financial institutions can comply with the new requirements to drive profitability and corporate growth.

Organised by



For more information, please contact the Secretariat :

Mr. Khairul Anuar / Ms. Zurainah

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## DAY 1 (Monday) 11 July 2011

- 8.30 a.m. : **Registration**
- 9.00 a.m. : **Risk Management in Islamic Banking**
- \* Enterprise Risk Management (ERM) and Internal Capital Adequacy Assessment Process (ICAAP) for Islamic banks
  - \* The risk management functions
  - \* What is Basel III and how does it impact Islamic banks
  - \* Capital adequacy ratio
- 10.00 a.m. : Refreshment & Networking Session
- 10.15 a.m. : **Stress testing and Scenario Modeling**
- \* Risk measurement
  - \* Valuation approaches & challenges
  - \* Value at risk (VAR) & other key risk measurement model for Islamic banks
- 11.15 a.m. : **Liquidity Risk for Islamic Banks**
- \* The management of liquidity risk
  - \* The key elements of liquidity risk
  - \* Basel and liquidity risk
- 12.00 p.m. : **Credit Risk for Islamic banks**
- \* The role of credit committee
  - \* The use of rating agencies
  - \* Default risk using historic information
  - \* The IRB approach and use test
- 12.45 p.m. : Lunch & Zuhor Prayer
- 2.00 p.m. : **Understanding Emerging Best Practice on Basel III**
- \* Home-host supervisory relations
  - \* Counterparty credit risk requirements
  - \* Regulatory expectations of stress testing
  - \* Leverage ratio implications
  - \* Applying the new liquidity regime
- 3.30 p.m. : Refreshment & Networking Session
- 3.45 p.m. : **Applying, Enhancing and Aligning Risk & Capital Management under Basel III**
- \* Funding your operations
  - \* Enabling business models and strategies
  - \* Strengths, weaknesses, opportunities and threats
  - \* Capital adequacy
  - \* Evolving corporate governance
- 5.00 p.m. : END OF DAY ONE
- 8.00 p.m. : Dinner & Networking Session

### About the Speaker

**Abdullah Haron** is Assistant Secretary General of the Islamic Financial Services Board. He joined the IFSB as a Project Manager where his main area of work was on the preparation of guidance on risk management and supervisory review process. He also participated in task forces that include issues in prudential Takaful regulation and supervision, and compilation guide on prudential database of Islamic financial services institutions. His prior experiences include the development of risk management & measurement framework, and insurance prudential regulation and supervision. Abdullah received a BSLAS in Actuarial Science from the University of Illinois & an MBA from the Ohio University.

### About the Speaker

**Brandon Davies** is a Non Executive Director, Gatehouse Bank, London. He is an experienced banker with over thirty years of experience, having worked for Barclays Bank in roles that included Head of Financial Engineering at BZW and, subsequently Managing Director and Head of Structured Products. He has also recently served on a UK Treasury advisory group and is a member of the Financial Markets Group at the London School of Economics.

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## DAY 2 (Tuesday) 12 July 2011

- 9.00 a.m. : **Impact of Basel III on Islamic Finance: How can an asset based system flourish under new European regulation**
- \* Analysing the treatment of an asset based financing system under the tenets of Basel III regulation
  - \* Is the industry as a whole prepared for implementation?
  - \* New strategies in capital management and risk management Islamic finance institutions
  - \* What products are available to help?
  - \* What hedging tools are there?
- 10.30 a.m. : Refreshment & Networking Session
- 10.45 a.m. : **The Crux of Basel III Accord**
- \* Overview of the new requirements
  - \* The new minimum capital requirements
  - \* Capital conservation and countercyclical buffer
  - \* Liquidity risk management
  - \* Timeline and transitional arrangement
  - \* Contingent capital effect to IFIs
- 12.30 p.m. : Q & A Session
- 12.45 p.m. : Lunch & Zuhor Prayer
- 2.00 p.m. : **Basel Requirement on Validation**
- \* In-sample, out-of-sample and out-of-time validation
  - \* Accuracy of PD calibration with and without correlation
  - \* Benchmarking methods
- 3.00 p.m. : Refreshment & Networking Session
- 3.15 p.m. : **Case study walk-through exercises: Building Statistical Model on Risk**
- \* Stress testing on credit risk
  - \* Single factor model in Basel II capital equation
  - \* Operating performance assessment under IRB framework
  - \* Economic capital allocation
- 4.30 p.m. : **Challenges of Basel III: Liquidity framework, stress testing, credit valuation adjustment**
- 5.15 p.m. : Q & A Session
- 5.30 p.m. : END OF PROGRAMME

*\*IBFIM reserves the right to change the programme without prior notice should it be necessary to do so.*

### About the Speaker

**Habib Motani** is a Partner, Clifford Chance, UK. He is an international financial markets lawyer, with particular expertise in relation to derivatives, securities lending, repo, netting and collateral and clearing and settlement systems. A Partner since 1986 in Clifford Chance's Financial Markets and Financial Products Group, Habib is Global Head of Derivatives. He specialises in OTC and securitised derivatives, Islamic derivatives, structured capital markets products including derivative linked retail and wholesale structured products, investment banking sales and trading advisory work, securities lending and repos, netting and collateral and their regulatory capital treatment as the infrastructure aspects of the financial markets, such as payment and settlement systems, clearing systems, prime brokerage and custody.

### About the Speaker

**Peter Kohut** is a Head of Financial Risk Management Advisory, KPMG, Bahrain. Having worked in investment banking (UBS, 4yrs), central banking (BIS, 2yrs) and advisory (several of the Big Fours and boutique firms, 10yrs) in Europe, USA, Asia, and the Middle East, he gathered experiences spanning a wide range of domains in strategy, risk, finance, and operations. In his regional role as the regional risk advisory practice leader for KPMG covering the Middle East and Ernst & Young covering ASEAN, he created and managed large client portfolios and was accountable for the transformation and the development of the risk advisory businesses. In his client-facing responsibility, he developed business relationships with CROs, CFOs, CEOs, heads of Internal Audit and Compliance, and advised them and their organizations on a range of technically challenging initiatives

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# BASEL III : THE IMPACT TO ISLAMIC FINANCE

☞ 11 - 12 JULY 2011 ☞

☞ THE ANDAMAN LANGKAWI, MALAYSIA ☞

Registration Form

Fax to +603 2031 9191

## Fee Structure

Category	Early bird (until 11th June 2011)	Normal Registration
Local Participant	RM 4,200.00	RM 4,500.00
International Participant	USD 1,600.00	USD 1,700.00
Government Agencies / Academician	-	RM 2,700.00

A. PARTICIPANT DETAILS		RM / USD
Name (1)		
Designation		
E-mail		
Name (2)		
Designation		
Email		
Total Fee (RM / USD)		
B. CONTACT/ AUTHORISED PERSON		
Name		
Designation		
Company		
Address		
Telephone		
Fax		
E-mail		
C. PAYMENT (tick [✓] where applicable)		
<input type="checkbox"/>	I enclose a cheque / bank draft made payable to "IBFIM"	Cheque no :
<input type="checkbox"/>	Telegraphic / Wire Transfer to the following account:  <b>ALL TELEGRAPHIC TRANSFER FEES ARE TO BE BORNE BY THE PARTICIPANTS / SPONSORING ORGANISATIONS</b>	Bank : Bank Islam Malaysia Berhad A/C no : 14014010136301 Address : Ground Floor & Plaza, Menara Tun Razak Jalan Raja Laut, P. O. Box 11080 50134 Kuala Lumpur Swift code : BIMBMYKL

### Term :

Registration is on a first come, first served basis. Confirmation is subject to payment before the conference. Walk-in participants will be admitted upon the availability of space. The organisers reserve the right to make changes to the program, speakers, dates, venue, etc, without prior notice. Any changes will be updated on the web page as soon as possible. Cancellation is not allowed after acceptance of payment but substitute participants are permitted if notification is done in writing two weeks before the programme.

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