Operational Risk Management in Banking

An intensive four-day residential course for experienced bank risk managers, to share best practice, regulation and the technical developments that are changing the discipline of operational risk management.

4-DAY INTENSIVE RESIDENTIAL PROGRAMME

24 – 27 September 2013

Christ’s College, Cambridge, UK
Dear delegate,

*Risk* has created the *Risk Week* schedule of specialist seminars for bank risk managers. The objective of the series is to provide delegates with a firm grasp of the current developments and ideas shaping bank risk management.

Partly this will be learning, but equally delegates will be sharing their ideas on best practice. The theme of regulatory and technological change will be at the heart of the series, which is best suited for bank risk managers who have at least two years professional experience.

Each seminar stream will consist of a chairman and speakers who will be drawn from leading regulatory agencies, international banks, technology companies, and specialist risk advisory firms. Free discussion will be encouraged in a confidential seminar environment.

We have chosen Christ’s College at Cambridge University as the venue for the Risk Week. The college facilities are excellent and this is the perfect environment in which to learn and to put that learning into context. While both college and hotel accommodation options are available, we will be doing our best to keep delegates together in the evenings for further discussion over dinner in the college.

Key sessions within the operational risk stream include:
- Current regulatory imperatives for operational risk
- Moving to the advanced approach: is it worth it?
- Effectively monitoring reputational risk
- Business continuity and disaster management

Speakers currently confirmed include:
- **Philip Umande**, Technical Specialist, Bank of England
- **Bertrand Hassani**, Head of Major Risk Management and Scenario Analysis, Santander
- **Günther Helbok**, Head of Operational Risk and Reputational Risk, Credit Risk Validation and Basel Compliance, Unicredit
- **Paul Whittaker**, Former Head of Global Risk and Compliance Training, HSBC Private Bank

Delegates from banks of all sizes and any country are welcome. Please take time to study the series and course programmes in detail, and feel free to contact us on traininginfo@incisivemedia.com with any queries.

Yours faithfully

Matthew Crabbe
Managing Director
*Risk*
The regulator’s relationship with the risk manager

**Speaker to be confirmed**

After the “light touch” approach adopted prior to the crisis, regulators are beginning to play a more active, interventionist role in banking supervision. How can risk managers best manage that relationship? What is best practice in the exchange of information? In this session, a senior regulatory figure will provide context to the global changes to banking regulation. Discussion will focus on what kind of communication works best between risk managers and supervisors.

The role of the risk manager and the balance of power in the bank

**Lewis O’Donnell**, Senior Managing Director and Chief Risk Officer, Nomura Holdings

The financial crisis shifted power from the trading floor to the risk manager. Much of the focus of government, regulators, the media and the public has been on the weaknesses in risk management that contributed to traders calling the shots. However, what is the optimum balance of responsibility? In addition, what does a renewed focus on risk mean for the career progression of a risk manager? In this session, a leading bank chief risk officer will present and then lead a discussion addressing this issue.

The internal network: reporting and communicating risk

**Catherine Keane**, Head of Bank and Country Risk, Bank of Ireland Group PLC

Risk managers must have a detailed understanding of the assets and markets they operate in. However, as risk reports are passed up the bank to the board, a broader, firm-wide picture must be constructed. In this session, a senior risk officer explains how risk is best communicated within the bank; both to business line managers and to the board. In addition, the speaker will focus on the selection of critical information and the presentation of a consolidated view. Discussion will focus on how to determine the right balance between simplicity and detail.

Organising risk management structures

**Stephen J. Bell**, Chief Risk Officer, Ulster Bank

With such high stakes, it is important that no risk goes unrecognised. However, chief risk officers have a sprawling empire of risk specialists below them, each focusing on specific asset classes and risk types. The danger is that important risk data might get missed. What is the optimum organisational structure for a risk management department? How can risk managers obtain a single, holistic view of risk across the business? In this session, a chief risk officer will give their view and lead a discussion with the group.

Risk adjusted remuneration as a risk management tool

**Emma Hawkins-Haile**, Managing Director, Hawkins Haile

Over recent years, large investment banks have introduced a range of new incentive and claw-back schemes in an attempt to better manage risk. In this session, an expert recruiter will provide an honest and informed perspective on what works best — and offer some thoughts on contract negotiation.

Dinner Guest Speaker

**Paul Moore**, Founder and Owner, Moore, Carter and Associates

Paul Moore, former Head of Group Regulatory Risk at Halifax Bank of Scotland, whose whistleblowing claims about risk taking at HBOS led to the resignation of its former boss from the UK’s financial watchdog, reveals some very interesting insider experiences on the practices of bank lending, sales culture, bonuses and board oversight of risk management, identifying areas which almost a decade on still require improvement — an improvement which must be driven by those in the bank who best understand and appreciate risk.
Current regulatory imperatives for operational risk

**Philip Umande**, Technical Specialist, Bank of England Prudential Regulation Authority

Regulators have been working to revise the basic indicator and standardised approaches to calculating operational risk regulatory capital. In this session a leading regulator will discuss the changes that have been made and the areas still under discussion.

What does the future hold for operational risk managers?

**Khim Murphy**, Technical Specialist, Bank of England Prudential Regulation Authority

Tougher economic conditions and increased regulatory pressure has led to operational risk management taking a substantially more prominent role in organisations. But with continuing uncertainty dominating the banking industry, what does the future hold for operational risk? In this session a leading regulator will discuss future developments for operational risk.

Moving to the advanced approach: is it worth it?

**Bertrand Hassani**, Head of Major Risk Management and Scenario Analysis, Santander

The Basel Framework provides several different ways for banks to calculate regulatory capital for operational risk. Each option requires an established risk measurement and management system and the most advanced approaches require increasingly complex and refined calculations. The most sophisticated and risk sensitive approach for operational risk is the advanced measurement approach (AMA). Obtaining approval for the advanced measurement approach takes huge resource and effort – but do the capital savings make that effort worthwhile? In this session an expert will discuss the process of moving to AMA.

Cybercrime: is your bank safe?

**Michael Paisley**, Head of Operational Risk Unit, IT & Operational Risk, Santander

Computer viruses are constantly evolving and becoming ever more difficult to detect. With the sophistication of hackers escalating at a frightening speed, cybercrime poses a significant threat to financial institutions. It is now crucial that the safety and resilience of networks is maintained. In this session a leading expert will discuss the latest security techniques and consider how banks can protect themselves and their customers.

Building the right culture

**Güntner Helbok**, Head of Operational Risk and Reputational Risk, Credit Risk Validation and Basel Compliance, Unicredit

How can operational risk managers help build the right culture throughout their bank? Successful operational risk management requires business heads to be supportive, and to encourage their staff to report potential op risk events. In this session the speaker will consider how operational risk managers can help build a strong risk culture within an organisation.

Operational risk data

**Speaker to be confirmed**

The challenge of managing an increasing number of internal and external risk categories has become as great as ever. At the same time, banks have been hit by a variety of legal challenges and fines — ranging from Libor manipulation to the mis-selling of structured products. How are these events affecting operational risk databases? And what will that mean for operational risk capital levels? In this session, the speaker will discuss an integrated approach to operational risk databases.
Effectively monitoring reputational risk

**Caben Thancanamootoo**, Head of Operational Risk, BMCE Bank International (invited)

The media profile of a bank is critical to its business planning. Reputational risk management should be at the top of every operational risk management agenda. What is the current best practice in media relations? How much should banks rely on their own internal marketing and press relations rather than external advisers and PR agencies? What is good crisis management? And how should banks respond to the rise of social media? In this session the speaker will explain how risk managers can actively identify and protect against reputational risks by working with public relations and the board.

Business continuity and disaster management

**Jamie Watters**, Head of Business Continuity Management, HSBC

Pandemics, extreme weather, and natural disasters have the potential to bring a business to its knees in an instant. Operational risk managers must ensure the continued functioning of the firm under extreme external stress. In this session the speaker will consider strategies needed to ensure appropriate safeguards are available.

Spotting rogue trading

**Paul Whittaker**, Former Head of Global Risk and Compliance Training, HSBC Private Bank

Despite the long history of rogue trading and the scale of frauds that have been revealed, the problem simply does not go away. In this session the speaker will lead a discussion on what can be done to minimise the risk, and the new technologies that can be employed. The speaker will draw on their extensive knowledge of the recent UBS rogue trading case.

Identifying risk in new communication technologies

**Marc Prieur**, Former Consultant, Deutsche Bank (invited)

Many banks are revolutionising internal communications through the use of handheld devices loaded with apps that allow file sharing securely. However, others are apprehensive and wary of the security risks involved. In this session the speaker will consider the risks involved and how risk managers can contribute to this debate in their own firm.

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**Risk Cambridge Seminar Week Courses:**

- Credit Risk & CVA
- Banking ALM: Active Risk Management for the Treasury
- New Challenges in Market Risk
- New Derivatives Regulation and the Risk Manager
Risk management approval for new financial products

Arun Bhasin, Managing Director and Regional Credit Risk Officer, Citi (Invited)

Product innovation contributed to the crisis — but innovation remains a cornerstone of investment banking and complex products are returning to favour as markets recover. In this session, a senior risk manager will explain best practice in the due-diligence process to approve complex new financial products, detailing the levels of approval required and the role of the risk manager in the process.

Working with the trading floor

Han Lee, Global Head of Quantitative Analytics, Royal Bank of Scotland

Rogue traders damage a bank’s reputation in addition to representing a huge financial risk. Arguably the most difficult time for any risk manager is when he or she comes into direct conflict with a business line manager who has traded outside of agreed limits. In this session, the speaker will discuss how best to manage that conflict — and how to pre-empt it.

The psychology of risk management

Gerald Ashley, Managing Director, St Mawgan & Co.

During tough trading conditions, calculated risk taking by traders can have a significant benefit to the business objectives of a bank. The thought process that goes into calculating risk against return undertaken by traders and risk managers alike has to be aligned. What differs between the traders and the risk managers when they make decisions? In this session, an expert speaker will discuss the psychology of the risk-taker in the context of behavioural finance. Discussion will focus on what drives them to take risk and how they can be controlled.

Speaker updates will be available via www.training.risk.net/riskweek
**Course prices:**

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<th>Discount 1: Before 30 July</th>
<th>Discount 2: Before 30 August</th>
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4-Day (3 nights) residential course  
Course fee includes: accommodation, meals, refreshments, course documentation  

*Price excludes VAT @ 20%

**How to book:**

Please complete the overleaf registration form and send to the below address, alternatively you can call, email us or register online.

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Incisive Media  
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London SW1Y 4RX, UK

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email: traininginfo@incisivemedia.com  
website: www.training.risk.net/riskweek

**The venue**

*Christ’s College, St Andrew’s Street  
Cambridge, CB2 3BU, UK*

Christ’s College is one of England’s oldest university colleges and traces its origins back to 1439 when it was founded by William Byngham as “God’s house”. The college is conveniently situated in the heart of Cambridge surrounded by all the historical sites, and is one hour by train from London.
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DELEGATE DETAILS

PLEASE WRITE IN CAPITALS

Mr/Mrs/Ms
Surname/Family name

First name

Job title

Organisation

Address

Postcode

Telephone

Facsimile

Email 1

Email 2

Please provide us with the direct email address of the delegate and an additional email address if possible. This is very important because all correspondence with delegates is by email.

Course Fees:

Discount 1: Before 30 July
SAVE £1000

Discount 2: Before 30 August
SAVE £500

Full Price after 30 August

£3499*

£3999*

£4499*

PAYMENT DETAILS

*Price excludes VAT @ 20%

IBAN: GB89 RBOS 1510 0021 9755 43 Swift code: RBOSGB2L. Please pay the course fee net of all bank charges and send us the copy of the transfer details

Credit card: please charge £

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I have read and agree to the terms and conditions below.

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Terms & Conditions: Cancellations must be received in writing more than three weeks before the event. If a cancellation is received within three weeks of the event the delegate fee will be payable in full. Cancellations more than three weeks before the event are subject to a 10% administration fee. A substitute delegate is always welcome, but the organiser MUST be notified in advance of the event to avoid incurring a charge. Delegate substitutions may NOT be made at the event. If you do not attend the event or notify us of your intention to cancel, the full fee will still be payable. Non-EU nationals are wholly responsible for obtaining any necessary entry visas and refunds cannot be offered as a result of non-attendance arising from a failure to secure such visa. Data Protection: By registering for a Central Banking training course you will receive further information relating to this event. In addition we will send you information about our other relevant products and services which we believe will be of interest to you. If you do not wish to receive other relevant information from Incisive Media via a particular medium please click the following relevant boxes: mail ✗ phone ✗ fax ✗ email ✗. Incisive Media will also allow carefully selected third parties to contact you about their products and services. If you do not wish to receive information from third parties via any of the following media please tick the relevant boxes: mail ✗ phone ✗. Please tick if you are happy to receive relevant information from carefully selected third parties by email ✗ and fax ✗. Registered Office Haymarket House, 28 – 29 Haymarket, London, SW1Y 4RX UK. Registered in England and Wales number 4252091 VAT No. GB 756 9781 65P.