

Understanding The Anatomy of Financial Crisis Events and Its Applications To Risk Management

Comment from past participant

“As someone without a deep understanding of the types of risks in the financial markets, I found this seminar to be very informative in laying out the basic principles of identifying risks and the possible ways of managing them. Through Chris’ shared experience, I also got to learn about the complexities of trading and am now a lot more interested to find out how regulators (like BNM and the SC) will fare in managing the monitoring of new structured investment products. A great seminar I’d recommend to my supervisory colleagues!”

– Ms. Suffaneena Binti Ahmad Sufian, Bank Negara Malaysia, Malaysia.
[Class of December 2010]

“I am impressed with the facilitator’s depth of experience and knowledge. It brought back memories of the crisis then.”

– Mr. Lee Kwok Meng, Lion Global Investors, Singapore.
[Class of October 2011]

Highlights

- Risk Management is Everyone's Business, not just the CEO's, CFO's or CRO's! It should be a Business Enabler that must accompany the strategic development of business so as to lead it to new levels of accomplishment.
- Learn to be an informed Financial Risk Champion, who is familiar with different variations and impact of Financial Crises, and the possible responses required.
- Walk through the various actual crises faced by institutions, governments and regulators, and the international financial community over time, and how they responded.
- Gain an insight into some of the extreme market crises – examine extreme foreign exchange markets and stock markets conditions and see how drastic interest rates can move and under what circumstances it can go into negative territory. Understand Capital Control as a response.
- Be introduced to The Basel Capital Accord, Basel I, Basel II and Basel III.

Seminar Facilitator
Mr. Christopher H. L. Chan, B.Ec., MBA

Seminar Duration
2 Days, 9:00am to 5:00pm

Seminar Background

Firm-wide Risk Management is crucial in all business enterprises, be they banking institutions or other commercial organizations. During the recent crises, many companies suffered irrecoverable blows due not only to lack of proper risk management processes and framework but also to the totally unexpected financial circumstances that arose. Weak corporate governance and over-confidence arising from a period of general stability contributed to that false sense that things can only get better.

Regulators are requiring companies and financial institutions to adopt prudence and implement new measures to safe-guard against financial shocks. As a result, there is need for institutions to understand these reforms and their objectives.

This seminar walks through and analyses major crisis events from the 1970s through to the present financial meltdown, response of regulators via the original Basel I Capital Accord, adjustment for Market Risks, the Basel II and Basel III measures and current developments. It also highlights some specific crises and the resultant measures. The seminar aims to raise awareness of the various possible risk scenarios, the risk mitigation measures on a firm-wide and on a macro systemic basis, and thus to enhance participants' knowledge and foundation so as to allow them to contribute to an "ideal" risk culture, and to be able to respond to crises in a strategic manner.

Seminar Content

- **Introduction: Basic Risk Types – Credit, Market and Operational Risks**
- **The Foreign Exchange Markets: Floating Rate – Response to Crises of 1970s**
- **The Money Markets: Role and Crisis Impact on Financial Institutions**
- **Crises of the 1970s and 1980s**
 - Early Systemic Crisis and Early Control Response
 - Credit Squeeze and High US Interest Rates of late 1970s
 - Exchange Rate and Plaza Accord – Orchestrated Unison against Crisis
 - The Classic Crisis: Runs on Banks
 - 1987 Oct: Stock Market Systemic Crisis
 - US S&L Crisis, Malaysian Cooperative Crisis
- **Crisis Management of the 1970s and 1980s**
 - Basel I Capital Accord: Objectives and Measures
 - Market Risks and Capital Requirement
- **Crises of the 1990s**
 - Capital Inflow: Regulators' Dilemma and Response
 - Asian Crisis: Capital Outflow
 - Capital Control: A Crisis Response
 - Interest Rates: How High/Low can they go

- Derivatives: Development, Growth, Crisis (Case of Barings & NAB)
- List of Largest Bank Failures
- **Crisis Management of the 1990s**
 - Basel's Interest Rate Management
 - Liquidity Framework and Crisis Prevention
 - Basel II: Principles and Objectives
- **Crises of the 2000s**
 - WTC 9/11 and SARS: Impact and Response of Financial Institutions
 - Sub-Prime Crisis
- **Crisis Management of the 2000s**
 - Basel III
- **Conclusion: Current Views, Expectations and Recommended Role in your Institution**

Benefits of Attendance

Participants will gain an awareness of the various possible risk scenarios, the risk mitigation measures on a firm-wide basis and on a macro systemic basis, and thus enhance their knowledge and foundation so as to allow them to contribute to an "ideal" risk culture, and to be able to respond to crises in a strategic manner.

Who should attend?

Risk Management and Basel II personnel, Treasury Dealers and Managers who are taking on more strategic roles, Research and ALCO support staffs, Internal and External Auditors, and Regulators covering Risks and Financial Sector Supervision.

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Seminar Facilitator

Mr. Christopher H. L. Chan is a Business Domain Expert Facilitator with PI ETA Consulting Company.

Chris is currently Assistant General Manager in the Audit Division of a financial institution, covering its group and overseas Global Markets and Risk Management areas. He had been at different periods, Head of Market Risk and Treasury Risk Management Department of a Malaysian commercial bank, and Senior Vice President in the Risk Division of an Investment Bank.

Chris has been in banking for over 37 years, mainly in the field of Treasury Trading and Management, as well as Risk Management. He started his career as a Dealer in a commercial bank, and subsequently to managing a Trading Room over a period of more than 20 years, after which he moved on to Risk Management. His expertise covers area in the Foreign Exchange Market, Money Markets, Fixed Income Instruments and Derivatives, as well as Risk Management and Auditing. He had been involved in Asset-Liability Management and its processes for almost 30 years.

He is actively involved in training via the Malaysian Banking Institute (IBBM), as well as in making presentations to corporate clients through the years. Chris is and has been for many years, an examiner in the IBBM committee that oversee the certificate examination for treasury dealers in the Malaysian banking community. He holds a Bachelor of Economics (BEc.) degree from the University of Malaya and a Master of Business Administration (MBA) degree in Finance from the University of Hull.

For more information, please contact PI ETA Engagement Resource (PEER) Group at
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