

WORKSHOP
21 MARCH 2018
BERNS HOTEL
STOCKHOLM

IRRBB TRAINING

BY PAUL NEWSON

ARRANGED BY ***MORS Software***

WORKSHOP BY PAUL NEWSON
DATE 21st MARCH FROM 8AM-2PM
PRICE 375€, COFFEE & LUNCH INCLUDED

AGENDA

CONFERENCE ROOM: RÖDA RUMMET

08:00–08:30	Registration & Morning Coffee
08:30–12:00	Workshop, <i>see details on page 2</i>
12:00–12:30	Lunch
12:30–13:45	Workshop continues, <i>see details on page 2</i>
13:45–14:00	Summary & Conclusions

WORKSHOP BACKGROUND

The BCBS published its “final” Standards for IRRBB in April 2016 with a target implementation date of January 2018. There remains, however, considerable uncertainty as to how, in practice, these will be implemented by national supervisors. There is even more uncertainty around the impact on banks themselves in respect not only of possible additional capital requirements but also on how adhering to the new requirements could affect the way in which, internally, they manage IRRBB and whether this could lead to unintended consequences.

This workshop will provide participants with the both the necessary background information to form a view and the opportunity to discuss the issues arising and to share experience and opinions.

WORKSHOP
21 MARCH 2018
BERNS HOTEL
STOCKHOLM

IRRBB TRAINING EVENT

BY PAUL NEWSON

ARRANGED BY ***MORS Software***

STRUCTURE

A. Brief refresh on the on the principal methods used to measure IRRBB

- » The value approaches – including EV, EVE and VaR
- » The income or earnings approach

B. The current regulatory regime for IRRBB

- » Its origins and rationale
- » Perceived strengths and weaknesses
- » Different national approaches
- » Current EBA guideline May 2015

C. The final BCBS Standards issued in April 2016

- » Background including BCBS consultative document issued in June 2015
- » The new Supervisory Outlier Test
- » The new disclosure Requirements
- » The new standardised methodology
- » Credit spread risk
- » The internal approach to capital computation

D. Regulatory developments since

- » ECB stress test of IRRBB 2017
- » EBA consultation paper (October 2017) on new guidelines
 - » What they say
 - » What they do **not** say
- » Next likely moves
- » Likely impact on banks

E. Regulatory expectations surrounding governance of IRRBB

- » Need for active Board understanding and involvement
- » Determining a risk appetite for IRRBB
- » Vital importance of governance and transparency around re-pricing assumptions
- » Backtesting – the essential link between finance, planning, risk and ALM

BIOGRAPHY – PAUL NEWSON

Paul Newson lectures extensively on Interest Rate Risk in the Banking Book and has recently written a book of the same title (published by Risk Books). Previously he worked in banking for over 30 years in a career that spanned Finance, IT and Risk Management. He was Head of Non-Traded Market Risk Oversight at Lloyds Banking Group from 2005 to 2016. From 1999 to 2005 he led the Traded Risk team at the UK Financial Services Authority, and, prior to that, was Head of Trading Risk Systems at NatWest Markets.

Paul, upon graduating from Oxford University, initially trained as a teacher and during his subsequent banking career he always maintained a keen interest in delivering training. He lectured for five years at the City of London Polytechnic preparing students for the UK Chartered Institute of Bankers' module in accountancy, presented many internal courses and worked with the UK Asset and Liability Managers Association in preparing and delivering training.

Firmly believing that, in risk management, there is no such thing a "stupid" question, Paul's preferred style is to encourage the active participation of students and thus leading them to draw their own conclusions based on shared experience and open questioning.