

Managing risks, enhancing governance and the role of capital modelling tools in risk management in the region's financial and regulatory agencies in response to the global financial crisis

**Training Program ~ 3 – 9 December 2009
Melbourne, Australia**

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Pre-Program Reading Materials

There is a richness of background information on the main topics covered in the program available on the internet, and participants are encouraged to research according to their personal needs.

A number of internet references are specifically recommended as background for this course:

- **[Progress in implementing the G20's recommendations for strengthening financial stability](#)**
This report provides an overview of progress since the G20 Leaders Summit in September 2009.
- **[Exit from extraordinary financial sector support measures](#)**
This note reviews policies to withdraw from exceptional financial support measures. It includes a report by the staffs of the International Association of Deposit Insurers and the International Monetary Fund on strategies to unwind temporary deposit insurance arrangements.
- **[Guidance to assess the systemic importance of financial institutions, markets and instruments](#)**
This report by the IMF, Bank for International Settlements and FSB responds to a request made by the G20 Leaders in April 2009 to develop guidance on this subject for use by national authorities.
- **[The financial crisis and information gaps](#)**
This report by the staff of the IMF and the secretariat of the FSB sets forth proposals for strengthening data collection to better capture the build-up of risk in the financial sector, improve data on international financial network connections, monitor the vulnerability of domestic economies to shocks, and improve the communication of official statistics.
- **[Improving Financial Regulation](#) and [Press Release](#)
Financial Stability Reports to G20 Leaders - 25 Sep 2009**
- **[International Monetary and Financial Committee](#)**
October 4, 2009. Statement by Mario Draghi. Governor, Financial Stability Board.

Capital Modeling Sources:

- **[Range of practices and issues in economic capital frameworks, Bank for International Settlements, March 2009.](#)**

This paper provides an overview of the range of practices in economic capital at large banking organisations and, based on this review, discusses a range of issues and challenges surrounding economic capital. The paper also discusses practices implemented by banks that attempt to address these challenges and reviews supervisory concerns relating to the current state of practice.

- **[Fair value measurement and modelling: An assessment of challenges and lessons learned from the market stress, Bank Committee on Banking Supervision, bcbs 137, June 2008.](#)**

This paper summarises the initial assessment of valuation practices, and presents the key findings and follow-up actions, including coverage of how banks responded to the market stress since mid 2007 and initial lessons learned.

- **[Guidance Paper on the use of Internal Models for Regulatory Capital Purposes', International Association of Insurance Supervisors, October 2008.](#)**

The IAIS recognises that the use of internal models is a significant new area of work for many insurers and an evolving area of practice for the insurance industry worldwide. This paper provides guidance on the high-level framework for the use of internal models by insurers for regulatory capital purposes set out by the 17 requirements in the Standard on the use of internal models for regulatory capital purposes.

- **[Initial information for the Approval of Internal Model' Australian Prudential and Regulatory Authority, Letter](#)**

This paper is to set out the initial information APRA is seeking from a general insurer in order to consider the adequacy of an internal model, used by the insurer to determine its regulatory capital, for approval under its prudential requirements (GPS110 Capital Adequacy).