Designing and Implementing ICAAP and ORSA: Challenges and Practices

ERM Seminar & Webcast

2011 ERM Symposium
March 14-16, 2011
Swissôtel Chicago
Chicago, IL
## AGENDA

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Activity</th>
<th>Topic</th>
<th>Time</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00 - 8:30</td>
<td>Registration &amp; Continental Breakfast</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Opening Remarks</td>
<td>Opening Remarks, Admin</td>
<td>15'</td>
<td>Alexander Shipilov, TDBG</td>
</tr>
<tr>
<td>8:30 - 10:30</td>
<td>Session 1</td>
<td>ORSA for Insurers – A Global Concept; ICAAP Implementation for Banks in Canada</td>
<td>60'</td>
<td>Stuart Wason, OSFI</td>
</tr>
<tr>
<td></td>
<td>Session 2</td>
<td>From ICAAP/ORSA to ERM: Board and Senior Management Oversight</td>
<td>45'</td>
<td>Leon J. Bloom, Deloitte</td>
</tr>
<tr>
<td>10:30 - 10:45</td>
<td>Networking &amp; Refreshment Break</td>
<td></td>
<td>15'</td>
<td></td>
</tr>
<tr>
<td>10:45 - 12:30</td>
<td>Session 3</td>
<td>Managing Capital Adequacy and Capital Utilization</td>
<td>45'</td>
<td>Bogie Ozdemir, Sun Life Financial</td>
</tr>
<tr>
<td>10:45 - 12:30</td>
<td>Session 4</td>
<td>ICAAP Required Capital: Assessment, Quantification &amp; Allocation</td>
<td>45'</td>
<td>Anand Borawake, TDBG</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session</td>
<td></td>
<td>15'</td>
<td>Faculty &amp; Participants</td>
</tr>
<tr>
<td>12:30 - 1:30</td>
<td>Luncheon</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1:30 - 3:00</td>
<td>Session 5</td>
<td>Comprehensive Assessment of Risks</td>
<td>45'</td>
<td>Dan Rodriguez, Credit Suisse</td>
</tr>
<tr>
<td>1:30 - 3:00</td>
<td>Session 6</td>
<td>Advanced Concepts in Capturing Market Risk: A Supervisory Perspective</td>
<td>45'</td>
<td>Rodanthyi Tzani, FRBNY</td>
</tr>
<tr>
<td>3:00 - 3:15</td>
<td>Networking &amp; Refreshment Break</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3:15 - 4:30</td>
<td>Session 7</td>
<td>Enterprise Wide Stress Testing</td>
<td>30'</td>
<td>Anand Borawake, TDBG</td>
</tr>
<tr>
<td>3:15 - 4:30</td>
<td>Session 8</td>
<td>End-to-End Validation of ICAAP Performance</td>
<td>30'</td>
<td>Julia Ross, Bank of Montreal</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session and Closing Remarks</td>
<td>Q&amp;A and Panel Discussion</td>
<td>15'</td>
<td>Faculty &amp; Participants</td>
</tr>
</tbody>
</table>
ICAAP & ORSA: Challenges & Practices
alexander.shipilov@td.com
http://lnkd.in/kmMjVg

Designing & Implementing ICAAP & ORSA: Challenges & Practices, Chicago, IL, March 14, 2011
Dr. Alexander Shipilov leads Quantitative Analytics Audit team at TD Bank Group (TDBG). The Team performs audit procedures with respect to the development, vetting, usage and validation of PnL, capital, adjudication and risk measurement models used across all business lines at the Bank. The group's mandate includes also auditing the Front Office, Trading Risk and Capital Assessment functions.

Prior to joining TDBG, Alexander worked as a Director with Risk & Regulatory Advisory Practice at PricewaterhouseCoopers. He consulted financial institutions and corporate treasuries on valuation and risk management issues, working in Canada, the U.S., Great Britain, Spain and Russia. His specific area of expertise included implementation and vetting of valuation and risk measurement models and control procedures used in financial institutions and treasuries dealing with valuation/risk measurement models, structured products and complex derivative instruments.

Dr. Shipilov is a co-founder of the Professional Risk Managers’ International Association (www.prmia.org) where he served as Treasurer on the Board of Directors.
Faculty (cont.)

Stuart F. Wason, FSA, FCIA, MAAA, CERA
stuart.wason@osfi-bsif.gc.ca

Stuart Wason is Senior Director, Actuarial Division of the Office of the Superintendent of Financial Institutions Canada (OSFI).

OSFI is an independent agency of the Government of Canada and reports to the Minister of Finance. OSFI supervises and regulates over 450 banks and insurers, and some 1300 federally registered private pension plans. Mr. Wason manages and directs OSFI’s actuarial expertise as applied to Federally Regulated Financial Institutions.

Mr. Wason has over 30 years of actuarial, financial reporting and insurance company management experience. Prior to joining OSFI, Mr. Wason was Senior Actuary at Assuris, a not for profit corporation, funded by the Canadian life and health insurance industry, that protects Canadian policyholders against loss of benefits due to the financial failure of a member company. He is a former Director of Mercer Oliver Wyman.

Mr. Wason has been actively involved in the work of the actuarial profession. He served as chair of the Solvency Sub-Committee of the International Actuarial Association (IAA) for several years until 2009. Currently he is Vice-Chair of the Joint Risk Management Section of the SOA/CIA/CAS, a member of the International Association of Insurance Supervisors’ Insurance Groups Sub-Committee and a member of the Joint Forum. Mr. Wason is also a Past President of the Canadian Institute of Actuaries (1999-2000). He is a frequent speaker at international insurance and actuarial conferences on the topics of risk management and solvency frameworks.
Qiuliang (Alan) Peng, PhD, CFA
alan.peng@osfi-bsif.gc.ca

Alan Peng is a Risk Specialist in the Supervision Sector of OSFI. Alan rejoined OSFI in Jan/2008 and has been leading OSFI’s ICAAP review. Alan currently represents OSFI on the Pillar 2 Network group, a multilateral working group under the Basel SIG group. Previously serving at OSFI from May/2001 to Jan/2005, Alan was a Manager focusing on the Basel II implementation in Canada, and was a member of the Basel SIGV group.

In addition to serving in OSFI, Alan worked for three years in an AIRB bank as the head of the Enterprise Economic Capital team and the enterprise ECAP project manager to establish and enforce uniform economic capital allocation practices and policies (ECAP) across the bank group. As well, Alan worked for two years in another AIRB bank as a Manager focusing on financial derivatives modeling.

Alan also worked in a financial engineering company, and was a post-doctor in the Fields Institute. Alan holds a Master of Sciences degree in Applied Statistics & Actuarial Sciences from the University of Toronto and a PhD degree in Applied Mathematics from the University of Alberta. Alan received his Chartered Financial Analyst (CFA) designation in 2004.
Leon Bloom is a Partner in the Deloitte & Touche LLP Enterprise Risk Services (ERS) function and is also Deputy Managing Partner of the firm’s Global Financial Services Industry (GFSI) Practice. He is also a member of the Executive Board of the Global Financial Services Industry (GFSI) practice.

Leon's practice focus includes the provision of capital management, risk management, financial governance and related regulatory consulting services to public and private sector clients. Leon specializes in the area of capital and financial risk management including the stochastic modelling of non life, life and banking businesses. He has extensive experience advising many regulators, banks, insurers and asset and investment managers on designing and using such models for a variety of purposes including economic and regulatory capital requirements, capital performance management and rating agency ratings.

Leon was educated at the University of London, England and the Kellogg School of Management at Northwestern University, Evanston, Illinois, USA.

He is a member of professional associations in Europe and North America.


He is a co-author of the “Basel Implementation Handbook” published 2004 by Erich Schmidt Verlag (ESV), and “Information Technology Control Guidelines” published 1999 by the Canadian Institute of Chartered Accountants.

Leon is a frequent speaker at risk management conferences and executive forums globally and is a guest lecturer in risk and capital management at The Fisher School of Management at Ohio State University, Columbus, Ohio, USA and at the Rotman School of Management at University of Toronto, Toronto, Ontario, Canada.
Bogie Ozdemir is a Vice President in Sun Life Financial Group. He is responsible for Economic Capital and is building out its capabilities for Solvency II/ORSA and Model Validation. Until recently, he was a Vice President in BMO Financial Group responsible for Economic Capital, Stress Testing, and Basel Analytics and jointly responsible for ICAAP. Previously he was a Vice President in Standard & Poor’s Credit Risk Services group where he was globally responsible for engineering new products and solutions, business development and management.


Anand Borawake is a Vice President, Risk Capital Assessment, at TD Bank Group. Anand has represented Risk Management as subject matter expert on risk based capital quantification practices for the Bank including both internal and regulatory capital assessments.

He owns and manages the Bank's economic capital quantification framework including governance of quantification practices. Ensuring risks have been properly identified and appropriate methodologies are in place to assess, quantify and calculate economic capital. He established and implemented a risk adjusted performance measurement (RAPM) framework for optimal usage and allocation of capital to enhance shareholder value add.

Anand has also lead the Bank's Internal Capital Adequacy Assessment Process (ICAAP) and has ensured that appropriate governance is in place to support and validate the capital paradigm of the Bank. He developed and manages the Bank's Stress Testing programs including both the Enterprise Wide Stress Testing as well as establish requirements for risk specific stress testing including credit (and counterparty credit), market, operational and other material risks.

Anand has established appropriate hurdle rates through differentiated Cost of Equity (Ke) and consistent RAROC methodologies across segments.
Dr. Dan Rodriguez is a Managing Director with Credit-Suisse and currently serves as the Chief Risk Officer for the Global Arbitrage Trading Group and the Americas Equity Division of the Investment Bank.

His focus is on the risk management of a global cross-asset class trading portfolio within the Credit-Suisse. His primary responsibilities include the development of portfolio risk limits and monitoring of portfolio risk profiles. He worked previously at Morgan Stanley reporting to the CRO of the firm, with responsibility for market risk methodology for the Institutional Securities Group. He began his career in financial services in risk management monitoring the risk of the Commodities Division at Morgan Stanley.

His research has been published in the Journal of Financial Economics, the Industrial Labor Relations Review, and Corporate Governance. Dan is a former National Science Foundation Fellow and is a regular participant in industry forums on risk management. He is a member of the Steering Committee of the New York Chapter of the Professional Risk Manager’s International Association. Dan is currently an Adjunct Faculty member with Baruch's Zicklin School of Business and teaches in the Executive MBA program and the Masters of Finance programs there.

Dan holds a Ph.D. in Economics from M.I.T. and a Bachelor’s of Science degree from the United States Military Academy. He is also a former US Army Officer and Army Ranger.
Rodanthy Tzani, PhD
rodanthy.tzani@ny.frb.org

Rodanthy Tzani is a Senior Bank Examiner at the Federal Reserve Bank of New York. Prior positions of Dr. Tzani include Director and Risk Manager at the ACA Financial Guaranty Corporation, and Vice President and Senior Analyst in the Derivatives group of Moody’s Investors Service. Dr. Tzani has also held a number of research and teaching positions with various universities in Europe and the U.S.A. and holds a Ph.D. in Theoretical Physics from the City University of New York.
Faculty (cont.)

Julia Ross, MSci
Julia.Ross@bmo.com

Julia Ross is a Senior Manager of ICAAP Validation with the Economic Capital, Stress-testing and Basel group of Risk Management at Bank of Montreal in Toronto. Julia is responsible for the Independent End-to-end Validation of Bank’s Internal Capital Adequacy Assessment Process. This includes validation of the following components: Bank’s risk appetite and downgrade tolerance, risk philosophy: point-in-time versus though-the-cycle, scenario analysis and stress-testing, liquidity and risk limits, methodological consistency and capital aggregation, etc.

Julia has about 9 years of extensive work experience in various areas of Risk Management, including development of advanced Economic Capital methodologies, Credit Risk modeling, risk/return and enterprise performance management analysis, etc.

Julia holds Master’s and Bachelor’s degrees in Economics and Financial Management.