

GARP2012

Thirteenth Annual Risk Management Convention

February 28-29, 2012
Marriott Marquis
New York, NY

**Register
NOW**

Two days of highly relevant, in-depth discussion & debate—in an exchange of ideas on the unpredictable risks in the interconnected worldwide financial economy—and the newest strategies and tools to manage that risk.

Choose from Eight Risk Management Tracks:

- Systemic Risk
- The Next Crisis
- Enterprise Risk
- Estimation Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Credit Risk

Keynote Presentations Include:



John Chambers
Managing Director,
Sovereign Ratings,
Standard & Poor's



William Cohan
Author,
Money and Power, House of Cards,
and *The Last Tycoons*



E. Gerald Corrigan
Managing Director
Goldman,
Sachs & Co



Jacob Funk Kirkegaard
Research Fellow, Peter G. Peterson Institute for International Economics



Robert Shiller
Professor of Economics and Finance,
Yale University

Monday, February 27: Standalone Learning Events GARP Energy Risk Forum and Four Master Classes

- **GARP Energy Risk Forum**—Managing Energy Risk in an Uncertain World
- **Full Day Quantitative Risk Management Master Class**
Led by Attilio Meucci
- **Three Half-day Master Classes**
 - Smarter Management of Global Regulation
 - Case Studies in Operational Risk Management
 - Derivatives Risk and Dodd-Frank

For more information:
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 **GARP** | Global Association
of Risk Professionals

Thirteenth Annual Risk Management Convention

Tuesday, February 28, 2012

As of February 15, 2012

7:30 Concurrent Breakfast Briefings

Breakfast Briefing A: Risk: Reducing Uncertainty

A unifying concern across financial institutions is the ability to accurately quantify risk and mitigate unknown variables that place risk on a portfolio or business. Across financial institutions, the definition of risk varies: the level of risk taking for excess return; deterioration of credit and interest rate risk, and counter party risk are just a few. This session examines how unique predictive analytics and visualization tools can accurately detect and assess risk.

Jagrata Minardi, Senior Solutions Consultant, TIBCO Software, Spotfire Division

Breakfast Briefing B: Interactions Between Macroeconomic Factors and Corporate Fundamentals: From Historic Correlations to Forecasting Scenarios

Our foundation for stress testing is based on four hypotheses: Using historical macroeconomic correlations with company fundamentals, monitoring these for convergence and divergence, shocking macroeconomic variables in a systematic way and combining all these factors to forecast company fundamentals for credit and equity risk evaluation.

Manoj Sinha, Director, Solutions Architects, S&P Capital IQ

Breakfast Briefing C: Front Office Trading and Hedging Issues Inherent in Credit Valuation Adjustment

Many banks will soon face the requirement to calculate CVA at the bank level for regulatory reporting purposes. Front office traders at the desk level will face technical and practical challenges when implementing CVA for P&L reporting. Active hedging of CVA risk will also be a challenge given the dynamic nature of CVA and the availability and liquidity of instruments in the credit markets. This session brings together the practical and technical implications of CVA calculations at the desk level and considerations for CVA hedging.

Denny Yu, Product Manager, Numerix

8:30 Convention Welcome and Opening Remarks

Richard Apostolik, President and Chief Executive Officer, Global Association of Risk Professionals (GARP)

8:50 Presentation of the GARP 2011 Risk Manager of the Year Award

9:05 Chairperson's Opening Remarks

**William Martin, Chief Risk Officer, Abu Dhabi Investment Authority;
Chairman, Board of Trustees, Global Association of Risk Professionals (GARP)**

9:10 Keynote Address: Market Risk: The Global Outlook

The Great Recession has permanently reduced the capacity of the U.S. and other industrialized country governments to fulfill their historical countercyclical economic role over the business cycle, and as guarantors of geopolitical stability. What are G-7 longer-term growth prospects? Can monetary policy credibly carry the entire burden, and what are the associated risks? What are the key sources of volatility in the increasingly multi-polar world? With traditional risk-free assets increasingly politically and financially impaired, are there any safe-havens left?

Jacob Funk Kirkegaard, Research Fellow, Peterson Institute for International Economics; Senior Associate, Rhodium Group

10:00 Refreshments/Exhibition

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10:30 Keynote Address: The Wall Street Monolith Myth

The demise of Bear Stearns compared to the success of Goldman Sachs provides one clear example of how, despite a common view about Wall Street—there is nothing monolithic about it. How did the corporate ‘personality’ of Bear differ from that of Goldman? What corporate idiosyncrasies might have crippled one and strengthened the other? What are some mistakes that could have been avoided and what can we learn from a comparison of these two corporations and their very different outcomes?

William Cohan, Author, *Money and Power, House of Cards* and *The Last Tycoons*

11:20 Keynote Address: Medium Term Prospects for Enhanced Financial Stability

The presentation will raise the question as to whether—four or five years from now—the global system of financial intermediation will be more stable and more efficient than has been the case in recent years—especially by the standards of the crisis of 2007-2008 and the risks posed by the European sovereign debt crisis.

E. Gerald Corrigan, Managing Director, Goldman, Sachs & Co.

12:10 Luncheon

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	Track 1: Systemic Risk Chairman: Chris Thompson , Executive Director, Accenture Risk Management	Track 2: The Next Crisis Chairman: Troy Foster , Chief Technology Officer, Bosch Software Innovations Corporation	Track 3: Enterprise Risk Chairman: Akbar Sheriff , Associate Principal, McKinsey & Company	Track 4: Estimation Risk Chairman: Alexey Surkov , Partner, Deloitte
1:30	Dodd-Frank for Dummies <ul style="list-style-type: none"> Dodd-Frank overview Volcker Rule New regulatory structures Key components Key uncertainties Kenneth Abbott, Managing Director, Morgan Stanley	The Factors that Create Differences in Risk Culture in Asian Banks vs. U.S. Banks: Are Asian Banks Better Prepared for Basel III? <ul style="list-style-type: none"> Leverage management Ownership structure of banks Board expectations of management and senior management capabilities Regulatory environment: Principle vs. prescriptive regulations Social contract and culture Mac Kalyan, Chairman, Haystack Capital Partners	Psychology of Risk and Decisions: The Fear Factor <ul style="list-style-type: none"> Risk based incentives in compensation Taking a risk to get a benefit Probability of occurrence times the impact of that occurrence happening Debating how much of a role perception plays in the psychology of risk Spinning “facts” Frank Murtha, Managing Partner, MarketPsych	Stress Testing: Computability and Emergent Phenomena <ul style="list-style-type: none"> Risk and uncertainty: Accounting for the unknown unknowns Did uncertainty diminish as models and measures of risk evolved? Viewing the future through the rearview mirror: The efficacy of traditional approaches to risk management Complexity, networks, and reflexivity Lessons, tools and real-world applications: The next generation Timur Gok, Visiting Associate Professor, Department of Finance, DePaul University
2:20	Government Sponsored Enterprises (GSE Reform) and Risk Retention: What's the Best Solution? <ul style="list-style-type: none"> How should the GSEs be structured to attract private capital back to the secondary market? What are the implications of risk retention on securitization activity? How will the Qualified Residential Mortgage (QRM) provisions shape mortgage markets? Is it possible to strengthen mortgage servicing processes through GSE reform? What policy actions are missing in addressing comprehensive reform of mortgage finance and housing? Clifford Rossi, Executive-in-Residence at the Center for Financial Policy, University of Maryland	Geo-Political Risk Amidst World Turmoil <ul style="list-style-type: none"> What are the risk implications of increasing economic disparity and equity? Exploring the extent to which political outcomes and global dynamics play in market dynamics Politics and market returns: From low probability/high impact to high probability/low impact—tackling volatility Austerity/heterogeneity (Europe) vs. QE/Munis (US) Unanticipated performance issues Daniel Alpert, Founding Managing Partner, Westwood Capital	ERM in Non-Financial Corporations and Non-Profits: How Do They Manage Risk? <ul style="list-style-type: none"> Implementing a risk management framework Self assessment methodologies and internal controls Qualitative approaches: Balanced scorecards Quantitative approaches: Risk indicators Keeping an eye on public perception and public expectation Martin Pergler, Senior Expert, McKinsey & Company	Model Robustness: Keys to Innovation, Accountability and Resilience <ul style="list-style-type: none"> Reexamining probability intervals and correlation assumptions Data and assumptions Financial theory and computer models Reporting/integration Back testing Jonathan Harris, Vice President, Quantitative Modeling Balance Sheet Management, Capital One
3:10	Refreshments/Exhibition	Refreshments/Exhibition	Refreshments/Exhibition	Refreshments/Exhibition

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	Track 1: Systemic Risk	Track 2: The Next Crisis	Track 3: Enterprise Risk	Track 4: Estimation Risk
3:40	<p>Derivatives and Central Clearing: Point/Counter Point</p> <ul style="list-style-type: none"> Will the financial markets be safer with the implementation of regulations within the global derivatives markets? Clearing requirements: Effects on settlement risk, systemic risk and credit risk Implications of central clearing on the derivatives business model—can it be profitable? Effects of default by a FCM Customer, FCM or CCP <p>Joseph Palumbo, Partner, Ernst & Young</p>	<p>Breaking Down and Sizing Up the New World Order for Hedge Funds</p> <ul style="list-style-type: none"> Transparency and regulation vs. secrecy and return strategy The family office escape hatch Hedge funds and the Volcker Rule Hedge funds and Dodd-Frank Is hedge fund regulation backfiring? <p>David Belmont, Chief Risk Officer, Commonfund</p>	<p>Making Risk Work in a Human World</p> <ul style="list-style-type: none"> What are the strengths and pitfalls of human nature in the risk management process? What are the implications for defining and implementing the organization's risk strategy? What can risk management organizations do to improve effectiveness? How do you align incentives to ensure desired behavior? How has the financial crisis in general affected the theory and practice of risk based performance measurement? <p>Hans Helbekkmo, SVP, Enterprise Wide Risk, Union Bank</p>	<p>Implications for Risk Analysis after the Crisis: Uncertainties, Probabilities, Various Scenarios and Unforeseen Events</p> <ul style="list-style-type: none"> Has stress testing become a vital part of the regulatory arsenal? Modeling the effects of simultaneous interdependent events Key metrics for testing credibility Predictive analysis Transparent testing <p>Annetta Cortez, Managing Director, ACT Consulting</p>
4:30	<p>Risk/Asset Allocation in the 21st Century: How to Make Risk the Foundation of Investing</p> <ul style="list-style-type: none"> Didn't mean variance optimization win a Nobel Prize? Why do something different? How do you build a portfolio based on risk? What is the role of active managers in a beta based low cost portfolio? Is the 60% stocks/40% bond portfolio balanced? Sample risk dashboard used at large sovereign wealth fund <p>Max Giolitti, Director of Risk Allocation, Wurts Associates</p>	<p>From Behind the Banks' Shadow: Will the Shadow Banking Sector Take Center Stage?</p> <ul style="list-style-type: none"> In light of the prevalence of the "shadow banking system," should capital requirements be imposed at the level of the firm or at the level of markets and transactions? Airing concerns about the movement of risk from the regulated, transparent to the opaque Identifying the specific roles of the shadow banks, their links to the banking system and their specific risks Reviewing the shadow banks that may develop Exploring the added value of shadow banks <p>Bala Balachander, Director, Deloitte</p>	<p>Reconfiguring the Risk Management Frontier: From Managing Risk Capacity to Managing Risk Appetite</p> <ul style="list-style-type: none"> Enhancing risk management in your organization in the aftermath of recent financial turmoil: Defining a Risk Appetite Framework Reviewing existing practices provide insights into Risk Appetite development: Recent industry advances Establishing a Risk Appetite Framework instead of simply managing risk capacity: Aligning Strategy, Risk, Finance and Business Putting Risk Appetite into practice: Defining, communicating, governing and integrating into day-to-day operations Realizing the full benefits of implementing Risk Appetite <p>Varun Agarwal, Senior Vice President, Risk Strategy, HSBC North America</p>	<p>Firmwide Frameworks to Assess Vulnerabilities Across All Risk and Asset Types</p> <ul style="list-style-type: none"> Proactively addressing pressure from regulators and satisfying their requirements Financial soundness indicators Defining system-wide stress tests and measurement techniques Coping with accounting, regulatory and statistical issues Managing losses in a large global lending portfolio <p>Mitch Carpen, Director, Head of Portfolio Analysis and Analytics, Bank of Tokyo-Mitsubishi—UFJ</p>
5:20	Cocktail Reception	Cocktail Reception	Cocktail Reception	Cocktail Reception
7:00	Day One Concludes	Day One Concludes	Day One Concludes	Day One Concludes

Thirteenth Annual Risk Management Convention

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7:30 Concurrent Breakfast Briefings

Breakfast Briefing A: The Impact of Basel III on US-based Institution's Risk Management Practices

The global implications of Basel III extend far beyond Europe. And, there's no question that US-based institutions will be unable to avoid Basel III compliance—it's simply a matter of timelines. This breakfast briefing will explore the ripple effects Basel III will have on risk management in the US for a wide range of areas from leverage ratios to 'culture shock'.

Sinan Baskan, VP Business Development, Sybase, an SAP Company

Breakfast Briefing B: Scenario Analysis, Stress Testing and Tail Risk Hedging

With the current level of uncertainty in financial markets, three themes have been receiving significant attention among asset managers—scenario analysis, stress testing and tail risk hedging. In this session we examine the latest developments in these areas. Topics cover will include the use of historical data and its limitations; how to deal with historically-inconsistent scenarios; tail risk of multi asset class portfolios; and the role of trend strategies for risk hedging.

Antonio Baldaque da Silva, Managing Director, POINT Portfolio Modeling, Barclays Capital

8:30 Global Regulatory Perspectives: Is the Devil in the Details?

- Perspectives from both sides: Regulators and the regulated
- What will be the direct and indirect impacts of these regulatory frameworks?
- Implications for risk management: How much ongoing monitoring and reassessment is anticipated?
- Specific activities, liquidity standards and capital requirements
- Will the new regulatory framework achieve its objectives?

Panelists:

Michael Alix, Senior Vice President, Federal Reserve Bank of New York

Michael Brosnan, Senior Deputy Comptroller, Large Bank Supervision, Office of the Comptroller of the Currency (OCC)

Adam Glass, Chief Counsel, Division of Risk, Strategy and Financial Innovation, United States Securities and Exchange Commission

Peter Lindner, Financial Sector Expert, Sovereign Asset Liability Management Division, Monetary and Capital Markets Department, International Monetary Fund

Moderator: Hamid Samandari, Senior Partner, McKinsey & Company

9:20 Keynote Address: Europe: A Harbinger of Global Sovereign Credit Trends?

- Nature of current crisis
- Systemic elements
- Implications for the rest of the world

John Chambers, Managing Director, Sovereign Ratings, Standard & Poor's

10:10 Refreshments/Exhibition

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10:40 **CRO's Speak Out: Viewpoints, Perspectives and Thoughts on What the Future Holds**

- Responding to challenges of risk oversight in today's economic climate
- Addressing inefficient and/or manual processes
- Aligning organizational culture with the performance and risk management methodology
- Does intensifying the dialog on risk and strategy lead to improve overall governance?
- Defining roles and responsibilities within the organization

Panelists:

Craig Broderick, Chief Risk Officer, Goldman Sachs

Aaron Brown, Head of Risk Management, AQR Capital Management

Bennett Golub, Chief Risk Officer, Blackrock

Jacques Longestaey, CRO, State Street Global Advisors

David Weisbrod, Vice Chairman of Risk Management, JP Morgan Chase

Moderator: **Robert Scanlon**, Chief Credit Officer, Standard Chartered Bank

11:30 **Keynote Address: Finance and the Good Society**

The severe financial crisis that began in 2007 and continues today has people angry, wondering whether our financial institutions are good for society or need a more thorough reform than Dodd-Frank attempted. The Occupy Wall Street movement represents only the most strident voices—many moderate people share their doubts. This talk gives a candid appraisal of the value of our financial institutions. Our financial institutions today are just a single point in a long history of the evolution of financial institutions that have been democratizing finance and building a stronger economy. More progress will be made; regulatory reforms should recognize this and try to hasten the day when our financial institutions are more perfect. Reforms should expand the scope of financial solutions to problems, not curtail them.

Robert Shiller, Professor of Economics and Finance, Yale University

12:20 Luncheon

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	Track 1: Liquidity Risk Chairman: Peter Marshall , Principal, Ernst & Young	Track 2: Market Risk Chairman: Jeffrey Kutler , Editor-In-Chief, <i>Risk Professional</i>	Track 3: Operational Risk Chairman: Gordon Burnes , WW Marketing, Risk Analytics, OpenPages, an IBM Company	Track 4: Credit Risk Chairman: Akshay Kapoor , Partner, McKinsey & Company
1:40	Tips from Mandatory Banks on Meeting the Challenges of Basel III <ul style="list-style-type: none"> Emerging standards being set due to evolving regulatory requirements Dissecting the challenge parallels between the mandatory banks and the Basel Banks Regulatory stress tests Is there a growing dissatisfaction with the Basel II risk-weights approach? Is there an increasing preference that regulators implementing Dodd-Frank consider measures that assess the systemic risk of financial firms using market data Jose Molina Ortega , Executive Director, Accenture Risk Management	Liquidity-Adjusted Portfolio Distribution and Liquidity Score <ul style="list-style-type: none"> Single-security liquidity adjustment from liquidation policies and transaction costs Single-security liquidity adjustment in different market environments Portfolio-level market risk as scenarios/probabilities Portfolio-level liquidity adjustment as conditional convolution Liquidity score in monetary terms Attilio Meucci , Adjunct Professor, Masters in Financial Engineering Program, Baruch College, CUNY; CRO Kepos Capital	Operational Risk at Non-Banks <ul style="list-style-type: none"> What parts of the Basel operational risk framework are relevant for non-banks, and which parts are not? What Boards need to know about operational risk Balancing efficiency and cost control with avoiding unexpected losses What is the right size and shape of an Enterprise Risk Management (ERM) framework for different types of firms? What's the point: How can the ERM framework drive behavior, and help avoid unexpected loss and reputational risk? Michelle McCarthy , Managing Director, Risk Management, Nuveen Investments	Credit Risk Strategy: From Risk Mitigation to Profit Maximization <ul style="list-style-type: none"> Balancing credit quality, earnings and growth Deploying credit risk capital Scorecards and segmented strategies Emerging risks Counterparty credit risk Ron D'Vari , Chief Executive Officer and Co-Founder, NewOak Capital Advisors
2:30	Counterparty Credit Risk: Implementing Real Time CVA Pricing <ul style="list-style-type: none"> Calculating credit value adjustment (CVA) Uncovering weaknesses in CVA calculations and finding solutions Responding quickly to the incorporation of new asset classes, business lines and credit mitigation techniques Increasing hedging to correspond with any tightening up of traditional risk mitigation methods of collateral management Setting limits against future exposure Neil Dodgson , Vice President, Business Development and Customer Solutions, Algorithmics, an IBM Company	Debt, Deleveraging and Left-Tail Risk: Developed vs. Emerging Economies <ul style="list-style-type: none"> Examining how the markets mimic economies What happened to: "When America sneezes the world catches a cold?" Emerging markets and the flip-side of the down turn Projecting the role of the impact of China and India Getting comfortable with structural trends when cyclical trends have historically been the norm Sam DeRosa-Farag , Managing Director, Portfolio Strategist, Morgan Creek Capital Management	Risk Systems: The Bleeding Edge <ul style="list-style-type: none"> Becoming more agile in response to risk changing regulations Successfully combining disparate data from multiple sources GRC Enterprise solutions and risk management System considerations/options Cost/benefit analysis of technology investment for improved risk management and compliance Anne Marchetti , Principal, Account-Ability Consulting	Credit Risk Analytics <ul style="list-style-type: none"> Building effective risk models Unifying analytics and business judgment for credit decisioning Leveraging big data Analytics to support growth Vivek Wadhwa , Principal, McKinsey & Company
3:20	Refreshments/Exhibition	Refreshments/Exhibition	Refreshments/Exhibition	Refreshments/Exhibition

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Track 1: Liquidity Risk	Track 2: Market Risk	Track 3: Operational Risk	Track 4: Credit Risk
<p>3:50 Swaps Execution: Balancing the Benefits with the Risks</p> <ul style="list-style-type: none"> Dissecting the Swaps Execution Facilities (SEF) mandate: Defensible or not? How will new regulation impact the diversity of transactors and instruments in the marketplace? Compliance dates for financial entities: Hedge funds, asset managers, insurance companies & pension funds Implementation of execution and clearing mandates Considerations for non-financial end users <p>Kenneth Raisler, Partner, Sullivan & Cromwell</p>	<p>Market Risk Measurement at Short and Long Horizons for Actively Managed Portfolios with Liquidity Risks</p> <ul style="list-style-type: none"> Short Term Risks Factors Contributing to Long Term Risks Measuring Longer Term Risks Incorporating Risk Management Activities and Transactions Costs Incorporating Liquidity Risks <p>Yigao Liang, Director, Quantitative Fixed Income Modeling, Fannie Mae</p>	<p>Information Security: Financial Fraud and Organized Crime</p> <ul style="list-style-type: none"> Security trends; common business risks and suggested countermeasures Proactive ways that insider fraud can be detected without the aid of technology Examining the implication of wiki leaks on government and business Defending against service attacks Camouflaged fraud mistaken for normal activity <p>Joshua Kotok, Executive Director, Infinitive Insight</p>	<p>Effective Credit Risk Processes</p> <ul style="list-style-type: none"> Applying Lean principles in credit processes Improving risk process effectiveness and efficiency Overcoming cultural barriers for credit process consistency <p>Ed Bankole, President, Structured Risk Analytics</p>
<p>4:40 Quantitative Measurement and Management of Liquidity Risk in a Banking Context</p> <ul style="list-style-type: none"> Introduction to liquidity risk management and measurement Conceptual considerations in liquidity risk Quantitative frameworks for managing liquidity risk A simple model for liquidity risk An option theoretic model for liquidity risk <p>Michael Jacobs, Senior Financial Economist, Office of the Comptroller of the Currency</p>	<p>Portfolio Implementation Risk: Case Studies from Emerging Market Investing</p> <ul style="list-style-type: none"> Balancing various risks: Formal mandate vs. liquidity, taxation, regulatory, other risks Case study: Egyptian exchange closure. Case study: India. Managing the cost of exposure Case study: Brazil's IOF tax. Ordinary shares vs. ADRs Other what if's: China A share market access, challenges with frontier markets <p>Richard Kang, Chief Investment Officer and Director of Research, Emerging Global Advisors</p>	<p>Structures and Control Frameworks that Ensure Regulatory Compliance and Proper Implementation</p> <ul style="list-style-type: none"> How control frameworks can ensure both regulatory compliance while meeting operational objectives Addressing concerns about how full regulatory compliance may interfere with your competitive edge Developing and implementing a risk-based compliance control framework and monitoring program Assessing existing structures <p>Panelists: David DeMuro, Deputy General Counsel, Global Compliance, Regulatory and Government Affairs, American International Group John Alan James, Executive Director, Center for Global Governance, Reporting and Regulation, Lubin School of Business, Pace University Ted Newman, Vice President, GRC Technology Solutions, Corporate Technology Group, Fidelity Investments Moderator: Peter Went, VP, GARP</p>	<p>Active Portfolio Management: Balancing Risk and Opportunity</p> <ul style="list-style-type: none"> Principles of effective portfolio management Monitoring and controlling credit risk at the portfolio level Performance characteristics Defining the target portfolio as a strategic goal Quantitative measures <p>Ludger Overbeck, Professor of Financial Mathematics, Department of Mathematics, University of Giessen</p>
<p>5:30 Convention Concludes</p>	<p>Convention Concludes</p>	<p>Convention Concludes</p>	<p>Convention Concludes</p>

Thirteenth Annual Risk Management Convention

Monday, February 27, 2012

Master Class A

SMARTER MANAGEMENT OF GLOBAL REGULATION

The global financial crisis brought about the greatest transformation to the financial landscape in decades. Domestic and foreign financial institutions, banking entities and commercial companies are all affected by the new global regulatory regime, much of which relies heavily on new rulemaking, implementation of new requirements, and rule interpretation by international financial regulators.

This master class will provide the latest information on important dates and upcoming deadlines in the implementation process, help financial institutions and market participants better understand how to comply with new requirements, and provide an update on new rule amendments.

Moderator: Peter Went, VP, Banking Risk Management Programs, Global Association of Risk Professionals (GARP)

8:30 Registration

9:00 **Building a Stronger International Financial Regulation Architecture**

- Regulating systemically important institutions and how this will impact semi-systemically important institutions
- Regulatory convergence between countries and nations
- Should all financial institutions be regulated the same way?

Matthew Richardson, Charles E. Simon Professor of Financial Economics, Director, Salomon Center, Stern School of Business, NYU

9:55 **The Dodd-Frank Act After 18 months: Looking Back/Looking Ahead**

- Current implementation priorities
- The impact of delayed studies, deferred rule-making, and postponed decisions
- The unintended consequences that are problematic for the sector

Oliver Ireland, Partner, Morrison & Foerster

10:45 Refreshments and Networking Session

11:00 **Implementing Basel III—Implications of Capital, Liquidity and SIFI Surcharges on Banks**

- Direct impacts of changing capital, liquidity, and supervision requirements on banks
- Interactions with broader macroeconomic trends
- Mitigating actions banks should take

Anthony Santomero, Senior Advisor, McKinsey & Company

11:45 **Foreign Banks in the US: Smarter Management of Regulation**

- The impact of extraterritoriality on business models
- How regulatory conflicts change the way risks should be managed
- Living wills in the US and elsewhere, or rather living nightmares

Ernie Patrikis, Partner, White & Case

12:30 Master Class Concludes

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Master Class B

CASE STUDIES IN OPERATIONAL RISK MANAGEMENT

Operational Risk Management is a critical part of any organizations' risk management framework on both micro and macro-levels. All financial institutions including banks, insurance providers, pension funds, hedge funds and asset managers need to pro-actively manage their operational risk function—from the day-to-day requirements to the overall company-wide strategy. One of the best ways to improve on an ORM program is to learn from the successful strategies employed by other organizations, particularly when addressing regulatory, compliance and security challenges. With this in mind, GARP presents Case Studies in Operational Risk Management, a Master Class at which leaders from the operations risk community will share successful ORM strategies and case studies of how they are effectively managing their organizations overall risk strategy. Included case studies address regulation, data and compliance, security, scenario analysis and stress testing.

Moderator: Christopher Donohue, Managing Director, GARP Research Center and Member of the GARP FRM® Committee, GARP

8:30 Registration

9:00 Meeting the Operational Risk and Regulation Challenge Head On

While the politics surrounding financial reform remains charged, managing operational risk for financial organizations continues to be a focal point of the new and developing global regulatory regime. The need to respond to increasingly elevated regulatory scrutiny and expectations both domestically and internationally is a continuing challenge for risk managers. This case study presents commonsense, practical approaches to meeting global regulatory requirements through integrated risk reporting and internal fine tuning of risk governance protocols.

Allan Grody, President, Financial InterGroup Holdings

Peter Hughes, Principal and Managing Director, Financial InterGroup Holdings

9:55 Enhancing the Value of the Operational Risk Assessment

Balancing the need for a formal Operational Risk framework with the day-to-day activity of the business can test even the most seasoned risk manager. These challenges are often magnified with the need to integrate various perspectives from business and support areas into a single program that provides a comprehensive, integrated evaluation of the risk and control environment. This case study will examine multiple strategies to integrate data, qualitative information, and structure to create opportunities to more effectively conduct operational risk assessments and improve transparency, consistency, and program integrity.

Jon Holland, Executive Director, Morgan Stanley

10:45 Refreshments and Networking Session

11:00 Operational Risk Scenario Analysis and Stress Testing

As awareness of the importance of operational risk increases and evolves, so do the methodologies for measuring it. Although the importance and benefits of scenario analysis and stress testing cannot be over stated, how can risk executives ensure that their measurement of operational risk is not arbitrary and inaccurate? This session focuses on techniques and approaches to scenario analysis that address some of the potential pitfalls, and maximize the potential benefit. Whether you're using scenario analysis to provide a benchmark for your LDA models, to drive economic capital, or simply for the identification of potential tail risks and their mitigation, this session will be of real value.

Patrick McDermott, Vice President, Enterprise Operational Risk Oversight, Freddie Mac

11:45 Improving Data and Compliance Efficiency

Risk managers and business leaders continue to face challenges in the management of complex operational data management and compliance. These challenges include integrating risk and compliance management into an overall business roadmap and the ability to provide real time, accurate data. This case study will present ways that risk officers can transform their organization's data and compliance processes by uncovering opportunities to streamline reporting and improve accuracy, leveraging IT solutions, improving internal controls and oversight functions.

Doug Schwenk, Founder and CEO, Advise Technologies

Guy Talarico, CEO and Founder, Alaric Compliance Services

12:30 Master Class Concludes

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Master Class C

DERIVATIVES RISK AND DODD-FRANK

While industry professionals gear up for new derivatives requirements under the Dodd-Frank Act there continues to be some uncertainty about the timeline for compliance and the impact of new requirements on the global competitive landscape.

With such sweeping change bearing down on the derivatives sector and, what seems like, more questions than answers, information and clarity is critical. This master class will focus on key areas of impact that Dodd-Frank will have on derivatives and derivatives risk. Attendees will hear from industry leaders that will share their views on such important topics as: Collateral transformation, permissible forms of risk retention for originators and credit risk in bilateral trading.

Moderator: Peter Went, VP, Banking Risk Management Programs, Global Association of Risk Professionals (GARP)

1:00 Registration

1:30 **Counterparty Risk Management of Derivatives**

- Central clearing counterparty or bilateral counterparty: Where will there be a choice, and which will make more sense in which cases?
- Credit valuation adjustment (CVA) across asset classes
- Managing credit risk in bilateral trading

Sharon Brown-Hruska, Vice President, NERA Economic Consulting

2:20 **Structured Legal Agreements and Risk Sharing**

- Risk retention requirements and the expected impact
- Asset-backed securities/asset-back commercial paper: Securitizers; originators and permissible forms of risk retention
- Tender option bonds

Henry Morriello, Partner, Kaye Scholer

Greg Walker, Managing Director and Counsel, UBS

3:10 Refreshments and Networking Session

3:40 **The Competitive Landscape in the Era of Dodd-Frank**

- Existing regulation with current and potential implications for the OTC market
- Where is there a clash with global regulations and how does it impact competition?
- Global reach of legislation

Robert Colby, Partner, Davis Polk & Wardwell

Margaret Tahyar, Partner, Davis Polk & Wardwell

4:30 **Dynamic Collateral Issues and Deleveraging**

- Managing increased collateral obligations for OTC derivatives trades under central clearing
- Will new collateral requirements result in deleveraging or change asset allocation? What will the effect be on hedge funds and asset managers that use OTC derivatives?
- Collateral transformation: Will it work and at what cost?

Ron D'Vari, Chief Executive Officer and Co-founder, NewOak Capital Advisors

5:30 Cocktail Reception

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GARP Energy Risk Forum

MANAGING ENERGY RISK IN AN UNCERTAIN WORLD

Managing risk across the energy value chain has never been more challenging. Global systemic risk concerns, economic uncertainty and pending regulatory change all add to the challenge of managing risk across the dynamic energy market. The implementation of alternative technologies, emergence of non-conventional fuel inputs, and evolving environmental regulations combine to impact the economics and operational risks associated with global hydrocarbon resource exploration, production and transportation; electric power generation, distribution and trading; and renewable energy investment. Moreover, the emergence of sophisticated financial products has increased market liquidity, making the trading and clearing of energy based products more accessible while paradoxically increasing the potential for new, unforeseen risks. Industry experts will discuss physical energy commodity supply and demand dynamics, share thoughts on current and future trends in power generation and provide insights about the impact of sophisticated financial trading strategies, risk transfer activities, market manipulation and pending regulation.

Forum Chairmen

Glenn Labhart, Chairman, Energy Oversight Committee, GARP ERP*; Partner, Labhart Risk Advisors

Michael Sell, Vice President and ERP Program Manager, Global Association of Risk Professionals (GARP)

1:00 Registration

1:30 **Ebb and Flow of Energy Commodities: Current Market Trends**

This session provides an in-depth overview of global economic, political, regulatory and technological trends currently driving physical supply and demand dynamics, energy commodity price behavior, hedging strategies and the economics of infrastructure investment.

Ed Morse, Global Head of Commodities Research, Citigroup Global Markets

2:20 **Power Generation: The Future of Coal, Gas, Nuclear and Beyond**

A variety of factors are currently impacting the US power market. A convergence of conventional and non-conventional fuel input prices and the impact of economic uncertainty on future power demand are clouding the economics of power generation, adding to the challenge of optimizing value and managing risk in power portfolios. Meanwhile, the evolution of useful clean-air technology has become increasingly important as the short and long-term viability of nuclear generation is called into question.

Chris Gadomski, Lead Analyst—Nuclear, Bloomberg New Energy Finance

3:10 Refreshments and Networking Session

3:40 **Insights from a Regulator**

Manipulation in the energy commodities markets has a long and rich history. The emergence of algorithmic trading is just one of many sophisticated market strategies that add risk to a highly complex market. This session is a regulator's perspective on current trends in the energy markets, the impact of market manipulation in energy commodities and thoughts on the future implications of pending new regulations.

Sean Collins, Branch Chief, Division of Energy Market Oversight, Office of Enforcement, Federal Energy Regulatory Commission (FERC)

4:30 **Central Counterparty Clearing and the Unintended Consequences of Regulation**

This session will review the risk management challenges associated with the clearing of exchange traded energy contracts, and provide an overview of current trends and best practices in counterparty clearing, including potential unintended consequences of Dodd-Frank and ramifications of the bankruptcy.

E. Seth Wilson, Chief Risk Officer, NASDAQ OMX Commodities Clearing Company

5:30 Cocktail Reception

Thirteenth Annual Risk Management Convention

Monday, February 27, 2012

Full Day Quant Master Class

QUANTITATIVE RISK MANAGEMENT: A FULL DAY MASTER CLASS

Led by **Attilio Meucci**

This full day Master Class provides a roadmap to the steps necessary for a quantitative approach to global risk management.

The agenda highlights the three key issues for risk management: stress-testing, liquidity risk, and risk exposures/hedging computations, in a broad view of the quantitative risk management landscape, and will provide practitioners with the practical tools for quantitative risk management best practice. **Note:** *This program is not designed for the novice—participants should be familiar with calculus, linear algebra and basic statistics at, or above, the FRM Exam level.*

Led By

Attilio Meucci, Adjunct Professor, Masters in Financial Engineering Program, Baruch College, CUNY; CRO Kepos Capital

8:30 Registration

12:30 Lunch

9:00 **The “Prayer”—Ten-step Checklist for Risk and Portfolio Management**

- P vs. Q: The two worlds of quantitative finance
- Quest for invariance: “Where is i.i.d. in the data?”
- Estimation: How the risk drivers co-move over a one-step period
- Projection: How the risk drivers co-move over the investment horizon
- Pricing: From risk drivers to security’s P&L over the investment horizon
- Aggregation: From single-security to portfolio P&L
- Attribution: Portfolio P&L as combination of key risk factors
- Evaluation: Risk management, or “when is a portfolio good?”
- Optimization: Portfolio management, or “how to improve a portfolio”
- Execution: How to implement a target allocation
- Ex-post analysis

1:30 **Factor Models**

- Linear factor models: Technical review, myths and pitfalls
- “Factors on Demand:” Customizable risk estimation and attribution for complex books

3:10 Refreshments and Networking Session

3:40 **Advanced Liquidity Risk Management**

- Prices, market impact, liquidation policy
- Single-security and portfolio-level liquidity adjustment to P&L distribution
- Conditional convolution and state-dependent liquidity adjustment to P&L distribution
- Liquidity-adjusted portfolio statistics

4:30 **Panel Discussion: “Future Quant Directions for Risk Management”**

Panelists: **Eduardo Canabarro**, Managing Director, Head of Credit & Market Quantitative Risk, Morgan Stanley

David Li, Managing Director, AIG Asset Management

Victor Ng, Managing Director, Global Head of Corporate Risk & Chief Risk Architect, Market Risk, Goldman Sachs & Co.

Moderator: **Attilio Meucci**, Adjunct Professor, Masters in Financial Engineering Program, Baruch College, CUNY; CRO Kepos Capital

5:30 Cocktail Reception

10:45 Refreshments and Networking Session

11:00 **Advanced Stress-testing Techniques**

- Historical scenarios with “Fully Flexible Probabilities”
 - Time weighting
 - Crisp/kernel/fuzzy membership state conditioning
 - “Entropy Pooling” generalized conditioning with partial information
 - Risk computations with “Fully Flexible Probabilities”
- Conditional Stress-testing: “Fully Flexible Bayesian Networks”
- Distributional stress-testing
 - “Copula-Marginal Algorithm”
 - Panic copulas

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Cocktail Sponsor



Exhibitors



Table Top Exhibitor



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Pricing and Registration

As of February 15, 2012

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Your investment for attending the Thirteenth Annual Risk Management Convention.

<i>Registration fees are payable in US\$.</i>		Register by February 24	Onsite Rate February 28
Tuesday and Wednesday Convention Only—February 28-29	Timing 7:30 - 5:30		
GARP Individual Members		1,895	1,995
GARP Affiliates/Non-members		2,345	2,445
Supplier/Vendor Rate		3,845	3,845
Monday, February 27			
Master Class A	8:30 - 12:30		
GARP Individual Members		695	795
GARP Affiliates/Non-members/Vendors		895	995
Master Class B	8:30 - 12:30		
GARP Individual Members		695	795
GARP Affiliates/Non-members/Vendors		895	995
Master Class C	1:00 - 5:30		
GARP Individual Members		695	795
GARP Affiliates/Non-members/Vendors		895	995
Energy Risk Forum	1:00 - 5:30		
GARP Individual Members		695	795
GARP Affiliates/Non-members/Vendors		895	995
Full Day Quant Master Class	8:30 - 5:30		
GARP Individual Members		995	1,095
GARP Affiliates/Non-members/Vendors		1,195	1,295

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