

Press Release

For Immediate Release

IBF's Inaugural Risk Management Seminar on Best Practices

Singapore, 16 July 2009 – The Institute of Banking and Finance (IBF) in partnership with the Risk Management Institute (RMI) of the National University of Singapore, today launched its inaugural ***Best Practices in Risk Management*** seminar alongside RMI's 3rd Annual Risk Management Conference 2009 at the Ritz Carlton.

Over 200 senior executives comprising policy makers, risk managers, corporate treasury managers and financial controllers gathered at the conference to discuss the issues and challenges facing risk management professionals and their institutions.

IBF CEO Mr Paul Yuen said, "I believe that our collaboration today with RMI will benefit risk management professionals and the financial community. In a financial landscape that is more challenging and complex, risk Managers must not only master the core skills and knowledge, but also keep pace with the new developments. Enhancing risk management skill-sets is therefore crucial in laying a strong foundation to better safeguard an organisation's resilience and reputation."

To support the risk management function within financial institutions, IBF has developed the Financial Industry Competency Standards (FICS) for Risk Management, covering a wide spectrum of 8 job families such as Asset Liability Management (Banking and Insurance), Credit Analytics, Credit Risk Management (Corporate and Consumer Banking), Market Risk Analytics, Market Risk Management and Operational Risk Management.

Besides Risk Management, the FICS covers 10 other industry segments. It is forward-looking and aims to develop skills sets that meet today's needs and the challenges of tomorrow.

During the seminar, the speakers (comprising senior management executives) shared their views and perspectives on several major industry issues such as:

Systemic Risk, Liquidity Shocks and Market Collapse – Lessons Learned Since 2008 – With the financial markets undergoing transformational changes globally, Mr David Dredge, Managing Director of Artradis Fund Management and Distinguished FICP, shared his observations on the fluctuations in capital flows, changes in risk appetites and highlighted the issues and challenges facing risk management professionals.

“A combination of moral hazard and regulatory oversight, led to a world where leadership in many banks leaned too far towards profit maximization, and away from capital preservation. Banks, in general, were being managed based upon reported numbers, with too little emphasis on true underlying risks. Accountability for proper risk management must be held in the hands of the people responsible for running these businesses - it is not merely the realm of regulators or internal control functions, it is the singular core responsibility of what financial institution leaders should provide to their stakeholders,” said Mr Dredge.

Financial Innovation – In examining the costs and benefits of financial innovation, Mr Elbert Pattijn, Chief Risk Officer of DBS Bank, charted the key elements of a robust risk management structure that could truly be a business imperative and to add value to the business.

The Value of an Integrated Risk Management Approach for Financial Institutions – In examining the key changes and future development in the financial industry, Mr Tham Ming Soong, Executive Vice President and Group Head, Risk Management of United Overseas Bank, shared his insights on the imperative competency requirements and skill-sets for a successful risk management professional in a new Financial Landscape.

“The industry's experience in training risk management staff is that there are gaps in the training space for risk management professionals. Many risk management training programmes equip candidates for the technical and quantitative aspects of the job very well. However, much is lacking in soft skills training. It is the intention of the FICS training framework to fill this gap through competency-based training. Candidates are tested on specific, job-relevant functions with an emphasis on the practical aspects of risk management.” said Mr Tham.

Risk Management: Where to From Here? Lessons Learned from the Global Financial Crisis –

Using the analogy of banks being like airlines that were piloted by the most qualified management, and yet they still crashed into mountains, Dr Mark Lawrence, Managing Director of Mark Lawrence Group, emphasized the need to rebuild confidence and trust in risk management, and that the risk culture of a financial institution was one of the key determinants of effective risk management.

"The Global Financial Crisis was, amongst other things, a catastrophic failure of some of the world's largest and most iconic financial institutions to understand and effectively manage their risk, on an integrated, end-to-end basis. What are we to make of these multiple failures? Where to now, for the discipline of risk management? Clearly, 'business as usual' is not an option going forward. Rather, we must closely study these risk management failures - and successes - across many industry participants in order to understand the various elements of the very fundamental failures and weaknesses which were revealed, and respond accordingly. The good news is that for the first time the industry has converged on a core set of "best practices" in risk governance and management, including a comprehensive set of specific and detailed recommendations. I would therefore urge Singaporean banks (and Asian banks, more generally) who have, as a group, performed relatively well through the crisis to carefully study these new industry "best practices", and individually consider how best to strengthen their risk management frameworks and practices now, in advance of the next crisis," Dr Lawrence commented.

- Ends -

Note to editors:

About IBF

The Institute of Banking & Finance (IBF) was established in November 1974 to upgrade expertise in the financial industry in Singapore. Since then, IBF's focus has shifted from providing training to developing a responsive, forward-looking financial sector training-infrastructure that positions Singapore as a world class training hub. IBF now administers part of the Capital Markets and Financial Advisory Services (CMFAS) examination series on behalf of the Monetary Authority of Singapore (MAS). It is the national accreditation and certification agency for financial competency under the Financial Industry Competency Standards (FICS) framework.

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ANNEX A

About FICS

The Financial Industry Competency Standards (FICS) is a comprehensive quality assurance framework with a certification and accreditation system that aims to raise the quality of the financial workforce and training providers. A national initiative developed by the industry for the industry, FICS has the strong support of leading financial institutions and industry associations, the Monetary Authority of Singapore (MAS) and the Singapore Workforce Development Agency (WDA).

FICS was developed in conjunction with, and is aligned to, best practices found in other leading financial centres, and broadly integrates international best practice with WDA's Quality Assurance system under the Workforce Skills Qualification framework (WSQ).

It comprises a set of standards with associated curriculum guide that relates to the competencies required for practitioners in specific job roles in 53 job families. The framework covers the entire financial services industry. It is forward-looking and aims to develop skills sets that meet today's needs and the challenges of tomorrow.

Key Features of FICS Training & Assessment

- **Relevant.** FICS is developed with the input of hundreds of leading practitioners, as well as industry associations and training providers. Not only does it ensure the training that you receive is relevant to today's business needs, it is regularly updated to reflect market changes so certified individuals can be kept aware of the dynamic changes and attend relevant continuing education programmes to stay relevant.
- **Practice-oriented.** FICS emphasises practice-oriented training incorporating work based assessment and learning activities such as case studies, simulations, role plays, etc.
- **Career Development.** A complete suite of FICS programmes calibrated by "Job Role" or expected level of experience and responsibilities of the target groups provides a learning roadmap for financial practitioners to upgrade their skill sets and professional competencies for better career prospects
- **Recognised.** When you earn an FICS Certification, you are demonstrating your mastery of key concepts in your certified area, while validating real-world skills and job-related experiences that are used every day.

- **Endorsement.** FICS is a national initiative of IBF. It is supported by the Monetary Authority of Singapore, the Singapore Workforce Development Agency and leading financial institutions and industry associations.
- **Flexible.** The FICS is structured around competencies required for the various job roles in the financial services sector. It is modular, allowing you greater flexibility to select the training you require.

Funding Support under the Financial Sector Development Fund (FSDF)

MAS' enhanced training schemes include support for training and assessment programmes accredited under FICS. During these 2 years, financial institutions that send their staff for FICS accredited training and/or assessment programmes will receive funding support of up to 90% of the programme fees.

Funding support is also available to financial institutions that develop and deliver in-house FICS accredited programmes. Individuals (Singaporeans and permanent residents) who pay for their own training and/or assessment can also receive similar funding support of up to 90% upon successful completion of the programmes.