



BANK OF THAILAND NEWS

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Risk Management and Basel II

The Bank of Thailand and the Deutsche Bundesbank will hold a joint conference on "**Risk Management and Basel II**". The aim is to accomplish an effective ongoing preparation for the Basel II implementation commencing at the end of the year 2008. This conference will build up knowledge and understanding of the audiences through sharing the view of the Bank of Thailand's supervision and expectation on the risk management of banks under the Basel II framework. The discussion will mainly focus on the development of effective risk management system incorporating process, procedures, tools, and techniques and the readiness for efficient credit and operational risk management through valuable experience of many experts from foreign organizations.

Currently, financial institutions in Thailand have recognized the importance of risk management and are putting more efforts in developing risk management tools and techniques to measure, manage and control their risks and to assess the capital adequacy in response to risks inhere. The Basel II framework aims to encourage financial institutions to develop efficient and effective risk management system, tools, and techniques. Therefore, it allows financial institutions to apply their risk management tools for regulatory capital calculation purpose and gives some incentive in doing so. In this respect, the Bank of Thailand's supervisory framework under the Basel II will be elaborated with more technically complicated aspects than Basel I framework. The Bank of Thailand and financial institutions have to cooperate closely for such preparation in order to mutually achieve the ultimate goal of financial institutions' stability and competitiveness.

In recognizing the aforementioned challenges, the Bank of Thailand, with the assistance from the Deutsche Bundesbank, is organizing this upcoming conference and inviting a number of guest speakers who are the experts from Germany - Deutsche Bundesbank, Volksbank, Nassauische Sparkasse at Wiesbaden, the German Saving Banks Association, and the KPMG - and from Taipei - the Joint Credit Information Centre (JCIC) and the McKinsey & Company. The audiences are from Thai

financial institutions, foreign bank branches and other related organizations such as the Ministry of Finance, the Department of Insurance, the Stock Exchange of Thailand, the Securities and Exchange Commission, the Credit Bureau, and various academics.

The conference will be held on Monday, 29 August 2005 from 8.30 a.m. – 05.30 p.m. at the ESCAP Hall, the United Nations Conference Centre. For further information, please contact the Supervision Group, the Bank of Thailand at tel: 0-2356-7041 and 0-2356-7042.

Bank of Thailand

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