

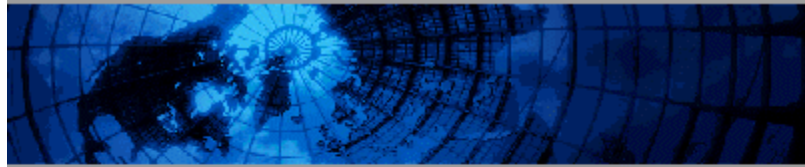
The Rise of Risk Management: Basel and Beyond

July 30, 2002

Summary

On Wednesday, July 31, 2002, the FDIC will conduct a symposium entitled "The Rise of Risk Management: Basel and Beyond" co-sponsored with Credit Suisse First Boston. The focus of the symposium will be on bank risk management systems, including their performance, the challenges posed by the new Basel Capital Accord, and the issues raised by the move toward risk management-based bank regulation. This issue of *FYI* outlines the agenda of the symposium and provides links to a live webcast of the proceedings.

High-quality risk management systems are increasingly important to the health of financial markets and the macroeconomy. As banks, brokerage firms, government sponsored enterprises (GSEs), and other financial institutions become larger and more complex, their health and stability increasingly affect the global financial system. How these institutions manage risk will impact not only their own bottom lines but in many cases will also affect the performance of the domestic and world economies.



THE RISE OF RISK MANAGEMENT: BASEL AND BEYOND

A Symposium Sponsored by the
Federal Deposit Insurance Corporation

Credit Suisse First Boston / New York City

July 31, 2002

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With the implementation of a second Basel Capital Accord on the horizon, bank regulators are poised to embrace the culture of risk management in new ways. Under the proposed new Accord, regulators' decisions about the capital adequacy of the largest banks would be based on their evaluations of bank risk management. As internal risk management systems enter the regulatory arena, the competitive dynamic between large banks and small, and between banks and non-banks, may change. Traditional notions of bank capital adequacy may be re-examined, and the disclosure of new risk-related information may increase the efficacy of market discipline.

The Federal Deposit Insurance Corporation will conduct a symposium on Wednesday, July 31, 2002, entitled "The Rise of Risk Management: Basel and Beyond." Co-sponsored with Credit Suisse First Boston, the symposium will address three basic questions:

1. How well have risk management systems performed in the volatile economic environment of recent years?
2. What are the challenges for risk management as the new Basel Capital Accord moves toward implementation?
3. What issues do the financial regulators need to address as they implement a risk management-driven approach to supervision and regulation?

Participants will include a number of prominent figures in banking and finance, financial regulation, and the analyst community, including: Peter Fisher, Undersecretary of Treasury; Franklin D. Raines, Chairman and CEO, Fannie Mae; and Ken Thompson, CEO, Wachovia.

FYI readers are invited to follow the July 31 proceedings live from their desktop using links provided on the symposium home page at: <http://www.fdic.gov/news/conferences/riseofrisk.html>. A complete symposium agenda is available at this location, along with a link to opening remarks on risk management in banking by FDIC Chairman Donald E. Powell that will be posted at 10 am.