



Risk Management in Banking

Follow-Up 2006 Tanzania
August 23rd – September 1st

KPMG IN SWEDEN

Most Welcome to ITP RMIB Follow-up in Tanzania



KPMG Team



Leif Waller
Project leader



Jessica Nithenius
Administration/
Lecturer



Ulf Åkerblom
Lecturer



Francois Bonnevie
Lecturer

ITP RMIB Follow-up Background

- ITP RMIB is a “one-part”- program
- KPMG has strived to reach a natural Follow-up part to the program
- Different actions has been taken like,
 - Encourage participants to take on RM improvement and development projects
 - Follow-up on projects by doing country visits
- Actions that have been partly funded by KPMG
- Proposal for Follow-up during summer of 2006
 - Two venues – Bangkok and Dar-es-Salaam
- Sida agreed on proposal fall 2006
- Invitation sent out late fall 2006

ITP RMIB Follow-up

- **Bangkok**
 - 22 participants
 - 12 countries
- **Dar-es-Salaam**
 - 11 participants (8 drop-outs!)
 - 5 countries

Why are we here, what should we do?

- **To meet once again!!!**
- **To:**
 - Exchange experiences
 - Network
 - Catch up on latest developments
 - Have fun!!!
 - Stuff ourselves with food and snacks
- **Make sure we meet again!!!**
 - somewhere

Who is here....

Alfanedya Safudi

Patrick Ngure

Madge Salatt

Angeline C. Limo

Inziani Khasiani

Isaac John Kanje

Bertal Pinto-Jayawardena

H.M. Hennayake Bandara

Indonesia

Kenya

Kenya

Kenya

Kenya

Malawi

Sri Lanka

Sri Lanka

Tran Hoang Hiep

Pham Quang Thang

Hoa Nguyen Thi

Nguyen Quang Minh

Vietnam

Vietnam

Vietnam

Vietnam

Latest developments in ITP RMIB

- **Administración de riesgos bancarios**
 - Programa Internacional de Capacitación Avanzada, 2006
 - Desde el 25 de Septiembre hasta el 13 de Octubre de 2006, ESTOCOLMO, SUECIA
- **Los postulantes de los siguientes países pueden participar del programa 2006:**
 - Argentina, Bolivia, Chile, Costa Rica, Cuba, Colombia, Ecuador, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, Paraguay, Perú, Uruguay, Venezuela

Latest developments in ITP RMIB

- **A new program set-up, on demand from the region, for Latinamerica held in spanish language**
- **A two-part program aimed at all spanish-talking countries in South- and Latinamerika**
- **KPMG contracted for 3 years with an option on additional 2 years**
- **Invitation sent out in the beginning of March 2006**
- **First training in September 25th – October 13th, 2006, at Foresta**
- **Part two will be held during 10 days somewhere in Latinamerica in March 2007**

Practicalities

- **Pamphlet**
- **Conference**
 - Conference room
 - Lunches and dinners
- **Dar-es-Salaam city**
 - Transportation
 - Personal security
- **The Golden Tulip**
- **Internet, washing facilities, ATM**
- **Activities**
 - Zanzibar Weekend, Sight seeing....

**ITP Risk Management Follow-up
in Dar-es-Salaam
is sponsored by SIDA,
The Swedish International Development
Cooperation Agency**

Group presentations / Workshop

- Max 45 minutes project presentation
- Raise 2-3 questions/challenges you want to discuss with the group
- Group session
- Presentations
- Wrap up

(Workshop can be organized by theme, e.g. OpRisk)



We have all traveled far to get here...

Malawi

Sweden

Kenya

Sri Lanka

Indonesia

Vietnam

How are you doing?
What have you been up to since you left Sweden?

Retrospective on ITP RMIB 2003

- Nov 17th – Dec 5th
- 22 participants (out of 122 applicants)
- 13 countries
 - Kenya, Uganda, Tanzania, Rwanda, Zambia, Zimbabwe, Mocambique, Nicaragua, Cap Verde, Egypt, Sri Lanka, Bangladesh, Nepal
- April 2004 project follow-up in Kenya and Uganda



Pictures from 2003

- Sorry, to be completed by Francois Monday morning....

Visit to Kenya and Uganda, april 2004

- **Project presentations were made in Kenya at:**

- Stanbic Bank by Chiera Waithaka, Credit Scoring
- Barclays Bank by Cynthia Okwany, Operational Risk
- Central Bank of Kenya by Madge Salatt, Basel II impl

- **...and in Uganda at:**

- Stanbic Bank by Edna Kanabahita, establishment of a RM framework



Retrospective on ITP RMIB spring 2004

- April 26th – May 14th
- 27 participants
- 6 countries
 - Kenya, Malawi, Vietnam, Cambodia, Philippines, Indonesia
- Project follow-up in Vietnam, November 2004



Pictures from spring 2004



Visit to Vietnam, november 2004

- **Project presentations were made in Hanoi at:**
 - Vietcom Bank by Nguyen Thi Hoa, Anti-Money-Laundering and Nguyen Quang Minh, Risk data warehouse.
 - Incom Bank by Than Thi Lan, Credit risk review & process and Hoang Anh Tuan
- **Meeting with International Relations at State Bank of Vietnam**
- **...and in Saigon we had a presentation from:**
 - Sacom Bank by Nguyen Thanh and Truong Vinh Loi, Op Risk Framework
 - Exim Bank by Tran Hiep Hoang RM Framework



Retrospective on ITP RMIB fall 2004

- August 23rd – September 10th
- 26 participants (out of 210 applicants)
- 60 vietnamese applicants
- 19 countries
 - Kenya, Uganda, Tanzania, Rwanda, Zambia, Malawi, Namibia, Bolivia, Nicaragua, Mongolia, China, North Korea, Vietnam, Laos, Cambodia, Sri Lanka, Nepal, Indonesia, Philippines
- Project follow-up in Kenya, Malawi and Tanzania in June 2005 and Nicaragua February 2006



Pictures from fall 2004



Visit to East Africa, May/June 2005

- **Project presentations were made in Malawi at :**
 - National Bank of Malawi by Mac Kawawa and Isaac Kanje, Op Risk framework.
- **...and in Tanzania at;**
 - Bank of Tanzania by Mecktilda Kajuna, Basel II implementation process
 - Peoples Bank of Zanzibar by Juma Muhammed, Risk Mgmt at PBZ



Visit to Nicaragua, February 2006

- **Presentations were made at:**

- Banco Do la Produccion (Banpro) by Julio Ramirez, Marco Gurdian and Rossana Diaz, Risk Mgmt system implementation
- Superintendencia de Bancos y Otras Instituciones Financieras by Tupac Cabrales, Risk based Supervision



How is Moa and Amanda?

**....they are fine,
and right now they are back home playing!!!**

We spent some time in Greece... ...and some time in the summer cottage.

This is going
to be a HUGE
sand castle!



Hoa taught
me how to
fish with a
pole!

Moa & Amanda at sailing camp...

- Just another race!!!



I am a
cat-
amaran!



Follow-up schedule

Week 1

- **Thursday 24th**
 - Practicalities
 - Individual presentations
 - Follow up overview / objectives Risk Management in Banking: 2003-2004
- **12.00 Lunch at the hotel**
 - Risk Management developments at Peoples Bank, Sri Lanka.
 - Bertal Pinto-Jayawardena
 - Group workshop on the presentation
- **19.00 Dinner at the hotel**
- **Friday 25th**
 - A global outlook on Latest Developments within Risk Management (Jan)
- **12.00 Lunch**
 - Teambuilding
- **15.00 Take-off for the harbour**
- **16.00 Boat leaves for Zanzibar**
- **Appr 20.00 Check-in at the Serena Hotel, Stonetown**
- **Dinner at Serena**

Follow-up schedule

Weekend

- **Saturday 26th**
 - **Breakfast at the hotel**
 - **Check out**
 - **Sightseeing in Stonetown**
 - **13.00 Lunch**
 - **Sightseeing on Zanzibar**
 - Spicefarms
 - Jozani Forest
 - **Check-in at Ocean Paradise**
 - **Dinner at hotel**
- **Sunday 27th**
 - Free time
 - Go for a swim or take a walk on the beach, sleep in or whatever you feel like
 - **12.00 appr Lunch at the hotel**
 - **Take off for the boat**
 - **Boat trip to Dar-es-Salaam**
 - **Dinner at the Golden Tulip**

Follow-up schedule

Week 2

● Monday 28th

- 09.00 Islamic Banking (Francois Bonnevie/Leif Waller, KPMG)
- Group studies/presentations

● 12.00-13.00 Lunch at the Hotel

- Risk Management Programs in Kenya from a Central Bank of Kenya perspective;
 - Madge Salatt & Angeline Limo
- Diagnostic Review Project and Basel II challenges, National Bank of Malawi;
 - Isaac Kanje
- Workshop /Feed back

● 19.00 Dinner at the hotel

● Tuesday 29th

- 09.00 Integrated Risk Management Project, National Savings Bank
 - Hennayake Bandara
- Market Risk Management in Bank Mandiri;
 - Alfanendya Safudi
- Group studies/presentations

● 12.00 Lunch at the hotel

- Group presentations

● 14.00 Sight Seeing Dar-es-Salaam

● 19.00 Dinner Downtown

Follow-up schedule

Week 2

- **Wednesday 30th**

- Risk Based Supervision initiatives in the East & Southern Africa Region (Carmencita Santos, East Afritac)
- Workshop
- Credit Risk Management and AML at Vietcombank;
 - Hoa NT

- **12.00 Lunch at the hotel**

- Project Management Methodology
- Inziani Khasiani+ Patrick Ngure
- Group studies on PM

- **19.00 Dinner at the hotel**

- **Thursday 31st**

- Risk Management from a Micro Finance perspective(Francois Bonnevie, KPMG Sweden)Workshop

- **12.00 Lunch at the hotel**

- Asset and Liability Management at Vietcombank;
- Minh
- Human Relation Mgmt at Sacombank;
- Hiep
- Group studies

- **19.00 Farewell dinner at the hotel**

Follow-up schedule

Week 2

- **Friday 1st**
 - Next step discussions
 - Summary
 - Evaluations
 - Closing ceremony
- **12.00 Lunch at the hotel**
- **Departures**

Weekend activities...



Topics on presentation

- **Basel II implementation (Madge Salatt) & Angeline Limo in joint efforts**
- **Integrated Risk Management (Henneyake Bandara)**

Working groups

Twinga

Alfanedya Safudi

Patrick Ngure

Madge Salatt

Bertal Pinto-Jayawardena

Tran Hoang Hiep

Hoa Nguyen Thi

1

Golden

Angeline C. Limo

Inziani Khasiani

Isaac John Kanje

H.M. Hennayake Bandara

Pham Quang Thang (no show)

Nguyen Quang Minh

2

Group workshop

Two groups

40 minutes

5-10 minutes presentation – flip chart or laptop

- 1. Re Corporate Sustainability – how do you see any benefit that your company can derive from by putting on a Corporate Social Responsibility Program?**
 1. How do you engage your staff?
 2. How could you measure progress?
- 2. How do you prepare for unexpected events?**
- 3. Find a suitable name for your group**
 1. Bonus is given to a cheer-song

● Benefits of CSR

- Image of the bank
- Marketing – support growth of the bank
- Closer link between society & bank
- Demonstrates longterm nature of the banks business which reassures customers
- Staff motivation/morale & "feel good" factor
- Interaction with customers which helps in feedback/loyalty
- Attracts clients
- Identify
- Worthy cause

● How to engage staff?

- Project steering team which drives the campaign
- Educate the staff on project
- Create ownership for the project in staff
- Participation (down-up)
- Demonstrate value of the project to the company/community/all staff members
- code of ethics/conduct
- Reward good ideas

- **How could you measure progress?**

- Feedback from customers
- Opinion polls on bank image (rating outside agency)
- Create a link between a bank product to the CSR campaign and monitor popularity/usage
- How much spent vs profits/outcome
- New business

- **How do you prepare for unexpected events?**
 - Contingency planning
 - Policy document
 - Off-site locations (recovery centres)
 - Back ups
 - Training of staff – drills
 - Insurance – asset/revenue
 - Capital adequacy
 - Budget (i.e. percentage of revenue to budget early)