

# APEC Financial Regulators Training Initiative

## *Seminar on Dealing with Problem Banks*

2 – 6 August 2010  
Bali, Indonesia

Hour	Monday	Tuesday	Wednesday	Thursday	Friday
9:00	Participant Registrations (8.30 – 9:00)	Too Big to Fail or Too Interconnected to Fail?	Problem loans and loan provisioning: A new framework  - The existing framework for loan provisioning and weaknesses identified in the current crisis -Proposals to reduce procyclicality and ensure the adequacy of loan provisioning -Practical examples	Identification of the problems  Developing regulatory systems to assess macro- prudential risks Case study example	Case Study
to	Welcome and Opening Remarks (9:00 – 9:30) Official Photo 9.30 – 9.45				
10:30	Participant Introductions 9.45 – 10.00				
	<b>Break</b>	<b>Break</b>	<b>Break</b>	<b>Break</b>	<b>Break</b>
11:00	Overview of the FSB and the high-level principles for cross border co-operation on crisis management as developed & endorsed by FSF	Case Study	Identification of the problems  Macro-prudential framework for the early detection of financial vulnerability—using supervisory assessments, supervisory rating systems, risk-based supervision, surveillance of the banking system	Ad hoc bank support measures —guarantees for banks existing or newly issued obligations; potential direct capital support; removal of and guarantees for bad assets; direct liquidity support; blanket deposit guarantees; forbearance	Conglomerates Issues— Tools available
to					12:30
	<b>Lunch</b>	<b>Lunch</b>	<b>Lunch</b>	<b>Lunch</b>	<b>Lunch</b>

Hour	Monday	Tuesday	Wednesday	Thursday	Friday
1:45 to 3:15	Cross border permutations—a foreign bank having a (i) subsidiary (ii) a branch in a host country or (iii) a home country bank having a (iii) subsidiary (iv) a branch in a foreign country	Definition of a 'weak' bank  Symptoms and causes of bank problems	Identification of the problems  Channels of information about weaknesses – communication with bank management, regulatory reporting and off-site review, onsite examinations, external auditors, information from bank's internal control and internal auditors, contacts with other supervisory and related authorities, other external sources, contingency planning	Dealing with different types of weaknesses—capital adequacy, asset quality, management, earnings, liquidity, risk management processes	FREE TIME
	Break	Break	Break	Break	Break
3:30 to 5:00	Cross border crisis management—division of labour between home and host economies; availability of information; legal, regulatory and supervisory framework; law governing initiation of proceedings; legal powers of controlling authorities; potential financial and economic effects	What is the criteria for intervention? Corrective action Resolution issues and exit  Case study example	Case study example	Identification of the problems Using quantitative financial information—financial statement analysis  Case study example	FREE TIME