



الاتحاد المصرفي العربي
Union of Arab Banks

THE NEW FRAMEWORK OF AMENDMENTS TO BASEL III REFORMS:

THE NEXT GENERATION OF RISK WEIGHTED ASSETS
AND CAPITAL ADEQUACY REQUIREMENTS

DOHA - QATAR
MILLENNIUM PLAZA HOTEL
28 – 30 SEPTEMBER 2025

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OVERVIEW:

The global banking sector is undergoing a new wave of regulatory transformation with the implementation of Basel III reforms, the latest evolution of the Basel Committee's capital framework. These reforms bring substantial changes to the calculation of Risk Weighted Assets (RWAs) and the determination of Capital Adequacy Ratios, with the aim of enhancing comparability, reducing excessive variability, and ensuring capital requirements are more closely aligned with actual risk.

This 3-day workshop provides banking professionals with a comprehensive understanding of Basel III reforms revised approaches to credit risk, operational risk, market risk, and output floors. Participants will explore the strategic and operational implications of these reforms, supported by real-world examples and practical implementation guidance.

PURPOSE AND OBJECTIVE:

In December 2017 the Basel committee finalized its work on the reform of the Basel III framework. Together with requirements already published in 2015 and 2016, the Basel committee changes all approaches for the calculation of RWA and the corresponding Pillar III disclosure rules. This package of new standards from the Basel Committee, which is unofficially called «Basel III Reforms», is now the most comprehensive package of modifications in the history of banking supervision.

Basel III Reforms package aims at restoring credibility in the calculation of risk-weighted assets (RWAs), and improving the comparability of banks' capital ratios by:

- Increasing risk sensitivity of the standardized approaches for credit risk, operational risk, market risk and credit valuation adjustment
- Constraining the use of the internal model approaches
- Complementing the risk-weighted capital ratio with a finalized leverage ratio and a revised capital floor

SEMINAR KEY LEARNING OUTCOMES:

1. The concepts of capital adequacy under Basel I, II, III, and the latest Reforms Package and elaborate on the changes introduced by each framework.
2. The key attributes/parameters used in deriving Risk-Weighted Assets (RWA) for credit, operational, and market risk.
3. High-level analysis of the key changes introduced in Basel III Reforms to Risk-Weighted Asset calculation for Credit Risk, Operational Risk & Market Risk as well as other types of risk categories.

TARGET AUDIENCE

- Risk management specialists
- Regulatory compliance officers
- Finance, treasury, and capital planning executives
- Internal auditors and control professionals
- Banking supervisors and regulators
- Senior management involved in strategic decision-making



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REFORMS:

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OUTLINE

DAY 1

BASEL III REFORMS: RISK MANAGEMENT & CAPITAL ADEQUACY REGULATORY FRAMEWORK

- Financial crises, Bank Failures and Regulatory Action
- The changing landscape of risks inherent in banking
- Development of Risk Management and Capital Adequacy Regulatory Frameworks: Quantitative and Qualitative Guidelines and Requirements
- Breakdown of risks covered under Basel III Reforms including timelines and highlights
- Definition of capital, leverage ratio and capital buffers
- Risk coverage – credit risk, operational risk, market risk
- ICAAP/ILAAP (Pillar 2) – approaches and principles
- Assessing the likely structure, direction and requirements for post Basel III developments
- Overview of Stress Testing requirements under the Basel III framework
- New types of risks to be assessed: Climate Risk Integration

DAY 2

CREDIT RISK STANDARDIZED AND INTERNAL RATINGS BASED [IRB] APPROACHES: MAIN CHANGES

STANDARDIZED APPROACH - RISK WEIGHTED ASSET (RWA) COMPUTATION

- Introduction of due diligence requirements while using external ratings
- Introduction of non-ratings based approach where external ratings not allowed
- Alignment of Standardized Approach (SA) asset classes with Internal Ratings Based (IRB) approach - separate risk weights for Specialized Lending exposures
- Increase in granularity of risk weighting for real estate, subordinated debt and equity and unrated exposure. Introduction of Loan to Value (LTV) based RWs for Real Estate exposures
- Introduction of lower risk weight requirements for transactors under revolving retail facilities
- Recalibration of Credit Conversion Factors (CCFs) for off balance sheet exposures

INTERNAL RATINGS BASED (IRB) APPROACH

- Modification in Probability of Default (PD) floors for IRB and introduction of Loss Given Default (LGD) and Exposure at Default (EAD) input floors for Advanced Internal Ratings Based (AIRB) approach
- Change in LGD computation under Foundation Internal Ratings Based (FIRB) approach
- Removal of IRB scaling factor
- Advanced Internal Ratings Based (AIRB) approach

OUTLINE

DAY 3

TRADED MARKET RISK/OPERATIONAL RISK/OUTPUT FLOOR AND OTHER REQUIREMENTS

COUNTERPARTY CREDIT RISK (CCR)- REVISED FRAMEWORK

- Modifications in the Counterparty Default Risk computation framework
- Introduction of Fundamental Review of Trading Book - Standardized Approach (FRTB-SA) for CVA (Credit Valuation Adjustment)

MARKET RISK: INCREASED COMPLEXITY AND COMPLIANCE REQUIREMENTS

- Market Risk to be measured as a part of Fundamental Review of Trading Book (FRTB) framework
- Introduction of FRTB Standardized sensitivities based method
- Shift from Value at Risk (VaR) to Expected Loss (EL) approach

OPERATIONAL RISK: HIGH QUALITY LOSS DATA REQUIRED

- All existing approaches to be replaced with a new Standardized Approach
- 10-year high quality loss data requirement with increased granularity of loss data collection framework

OUTPUT FLOOR

- Definition and Application

ADDITIONAL DATA REQUIREMENTS AND CHANGES IN DISCLOSURES

- Revised Standardized approaches lead to additional data requirements like missing LTV values in the reporting system, additional loss data requirements etc.
- Revised disclosures for credit, market and operational risk based on modification in capital computation frameworks
- Revisions to leverage ratio common disclosure template
- Inclusion of the introduction of leverage ratio buffer for G-SIBs in the disclosures
- New disclosure on Asset encumbrance and capital distribution constraints

CONCLUDING REMARKS

- Jurisdictional specific implementation of Basel III reforms
- Main Challenges and Constraints and how to overcome

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SPEAKER:

MR. GABY S. FRANGIEH



Masters in Money and Banking (MMB)

- Senior Expert – Banking | Risk Management | Finance | Governance | Compliance
- Former Acting CEO – Banque BEMO SAL / Former Chief Risk Officer – Banque BEMO SAL Group Lecturer since more than 20 years at High Institute of Banking Studies - Saint Joseph University and Union of Arab Banks.

PARTICIPATION FEES:

- **UAB Members: 1200\$**
- **Non Members: 1500\$**

MEANS OF PAYMENT

Arab Bank – Amman – Jordan
Shmeisani Branch

Account no : 0118/010272-510

Iban no: JO76 ARAB 1180 0000 0011 8010 2725 10

Swift code : ARABJOAX118

Beneficiary name : Union of Arab Banks

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