

Risk USA: Assessing funding, credit and market risk strategies in an era of regulatory change

October 21-24th, 2013 in New York

www.riskusa.com

OCTOBER 22, 2013, NEW YORK

8:00	Registration and breakfast		
8:50	Welcome address: Duncan Wood , Editor, RISK		
9:00	Keynote address: On the intersection of compliance and risk <ul style="list-style-type: none"> The CCO's duties and its role in supporting risk governance and risk management CCO reporting lines and risk governance: challenges for entities that are part of a larger organization Gary Barnett , Director of the Division of Swap Dealer and Intermediary Oversight, CFTC		
9:40	Executive address: Simplicity and strong supervision: rules are not enough <ul style="list-style-type: none"> The benefits of bank risk models in calculating risk weights The need for proper supervision and greater transparency Why simplifying the rules would place higher demands on bank supervisors Mark Zelmer , Deputy Superintendent, Regulation Sector, OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS, CANADA		
10:20	CRO roundtable: Leadership and risk culture <ul style="list-style-type: none"> Developing and implementing a strong and transparent risk culture Principles of a sound framework What does a good risk culture look like What can we do to improve, increase or change risk culture Risk appetite: which risks do you take, avoid and manage in current market environment Moderator: Thomas Campanile , Partner, Financial Services, ERNST & YOUNG Richard Ferguson , Chief Risk Officer, Americas, DEUTSCHE BANK Jonathan Stein , Chief Risk Officer, HESS CORPORATION Hilmar Schaumann , Chief Risk Officer, FORTRESS INVESTMENT GROUP Patrick Trew , Chief Risk Officer, CQS MANAGEMENT (Risk Awards 2013; Hedge Fund of the Year)		
11:00	Morning coffee break		
	Stream one Risk management of trading and banking book	Stream Two Credit and counterparty risk	Stream three Risk management of investment portfolios
11:30	Chairman's opening remarks: TBC	Chairman's opening remarks: Gurpreet Chhatwal Senior Director, Risk & Analytics, CRISIL Global	Chairman's opening remarks: Marcos López de Prado , Head of Quantitative Trading, HESS

		Research & Analytics	ENERGY TRADING COMPANY
11:40	Effective risk management in current market conditions <ul style="list-style-type: none"> • Key principles • Current challenges • Practical observations Ken Phelan, Chief Risk Officer, RBS AMERICAS	Algorithmic exposure for Counterparty Risk, CVA, and FVA <ul style="list-style-type: none"> • Foundation of modern approach to Counterparty Risk, CVA, and FVA: hybrid models and American Monte Carlo method • Algorithmic exposure vs. direct simulation • Optimizations for practical implementation: primary and secondary factors, main correlations, parallelization of hybrid models • Real world measure: model calibration and exposure simulation • FVA for general instruments Serguei Issakov, Global Head of Quantitative Research, Senior Vice President, NUMERIX	Inflation and real yield tail hedging Vineer Bhansali, Managing Director, PIMCO
12:20	Risk management 2013 and beyond <ul style="list-style-type: none"> • Regulatory risk management is not just about being in compliance with laws and regulations • Products and services must be fully understood and vetted to understand impacts to the customer and financial institution • Risk culture and good governance are the foundation for success Claudia Russ Anderson, Executive Vice President, Group Risk Officer, Community Banking, Regulatory Compliance and Operational Risk Management, WELLS FARGO	The FVA debate <ul style="list-style-type: none"> • Theory vs. practice in derivatives pricing • Accountants vs. traders • Unintended consequences of FVA • Private value vs. fair market value • Best practice proposal John Hull, Maple Financial Chair in Derivatives and Risk Management, Joseph L. Rotman School of Management, UNIVERSITY OF TORONTO	Managing a diverse retirement portfolio: Navigating through uncertainty <ul style="list-style-type: none"> • The “new normal” and potential implications i.e. search for yield and effective tail risk management • Moving from wealth accumulation to wealth de-accumulation • Critical retirement risk factors and their effective management Jayesh Bhansali, Managing Director, Head of Global Derivatives and Quantitative Portfolio Management, TIAA-CREF
1:00	Lunch		
2:00	TBC Attilio Meucci, Director, Business	Counterparty risk, CVA and wrong way risk	Truth in advertising - proving investment strategy by reviewing risk data <ul style="list-style-type: none"> • Matching investment strategy decisions

	<p>Operations & Firm-Wide Chief Risk Officer, KKR</p>	<p>Dongsheng Lu, Head of Quantitative Research - Derivatives Trading, THE BANK OF NEW YORK MELLON</p>	<p>with risk exposures</p> <ul style="list-style-type: none"> Analyzing risk exposure over time with market and Portfolio Manager behavior Independent and objective analysis from risk team Buy in from senior management <p>Fred Gjerstad, Senior Vice President, Global Head of Investment Risk, STATE STREET GLOBAL ADVISORS</p>
2:40	<p>Managing Risk in a Separately Managed Account Structure: Challenges and Considerations</p> <ul style="list-style-type: none"> Market & Portfolio Risk Operational Risk Liquidity Risk Strategy & Model Risk <p>Scott Ladner, Director of Alternative Strategies, HORIZON INVESTMENTS</p>	<p>Counterparty extinctions in the coming Ice Age</p> <ul style="list-style-type: none"> New bank and trading regulations will require more cash, and hotter cash Money market changes will reduce supply of collateral-eligible cash, and cool it down Sovereign debt problems, collateral shortages and political fights could freeze the market altogether Counterparties will have to find warm regions in the Ice Age, or face extinction <p>Aaron Brown, Head of Risk Management, AQR CAPITAL MANAGEMENT</p>	<p>Harvesting alternative risk premium and managing risk through engineered diversification</p> <ul style="list-style-type: none"> Systematically harvesting market risk premium is an increasingly popular source of alpha An innovative way of managing risk is engineering strategies to have low cross-correlation This allows for efficient liquid alternative investment portfolios to be created at low cost Specific examples from the equity derivatives and listed volatility markets <p>Benjamin Bowler, Global Head of Equity Derivatives Research, BANK OF AMERICA MERRILL LYNCH</p>
3:20	<p>CoCo Bonds</p> <ul style="list-style-type: none"> Overview of CoCo bonds Role of CoCo bonds in improving the capital structure of a bank <ul style="list-style-type: none"> Structure of the product Various categories/ triggers and other special features 	<p>Basel II: Credit risk modeling and quantitative oversight of banks</p> <ul style="list-style-type: none"> Focus: Basel II compliance/ banks in parallel run Default definition/ technical defaults Data quality Validation as an effective challenge process Management oversight, controls and audit 	<p>Liquidity and Toxicity contagion</p> <p>Maureen O'Hara, Professor of Finance, CORNELL UNIVERSITY, Board Member, TIAA-CREF, Board Member, NEWSTAR FINANCIAL, Board Member, ITG</p>

	<ul style="list-style-type: none"> o Impact on Tier 1 and Tier 2 capital • Pricing and valuation techniques • Current status and acceptability – US, UK/Europe, Other <ul style="list-style-type: none"> · Assessing risks · Conclusions <p>Anshuman Prasad, Director, Risk and Analytics, CRISIL Global Research & Analytics</p>	<p>review as essential components of quantitative oversight</p> <ul style="list-style-type: none"> • Conclusion: RWA, Pillar 2 and CCAR – Key principle that firms evaluate risk using multiple approaches <p>Eugenia Kulikova, Senior Quantitative Analyst, Lead of Federal Reserve's advanced approaches risk-based capital rule's Wholesale Qualification Team, THE FEDERAL RESERVE BANK OF BOSTON</p>	
4:00	Afternoon coffee break		
4:20	Afternoon keynote speaker: How to combine market, credit and liquidity risk into a unified risk framework Lesley Jones , Group Chief Credit Officer, RBS GROUP		
5:00	<p>Panel discussion: Risk professionalism and standards of practice</p> <ul style="list-style-type: none"> • Should risk management standards of practice (SoP) be adopted across professions and the financial industry? • Are professional risk management SoP desired at the individual level and the group level? • Is there a need to explore the potential use of SoP as a basis for professional guidance? • What are the pros and cons for requiring such standards? • Should risk managers come together to align under such standards? • If so, when and how? <p>Moderator: Dan Rodriguez, Managing Director and CRO for Systematic Market Making Group, CREDIT SUISSE Aaron Brown, Head of Risk Management, AQR CAPITAL MANAGEMENT Ken Radigan, Senior Vice President, AIG and Chief Risk Officer, Commercial Casualty, CHARTIS Hilmar Schaumann, Chief Risk Officer, FORTRESS INVESTMENT GROUP</p>		
5:50	Closing remarks: Duncan Wood , Editor, RISK		
6:00	Drinks reception		

OCTOBER 23, 2013, NEW YORK

8:00	Registration and breakfast
8:50	Welcome address: Duncan Wood , Editor, RISK
9:00	<p>Keynote interview: Ensuring maximum efficiency in market access and trade execution</p> <ul style="list-style-type: none"> • Liquidity challenges • Challenges in trade executions in today's fragmented market

	<ul style="list-style-type: none"> • Long terms, hedge funds and short term trade • Impact of regulation <p>Richard Prager, Managing Director, Head of Trading & Liquidity Strategies Group, BLACKROCK</p>		
9:40	<p>CRO Roundtable: Exploring key challenges faced by CROs in current market conditions</p> <ul style="list-style-type: none"> • What are the issues and new requirements • Skillsets required by financial risk professionals today • How has the role of CRO changed due to the high volume of regulations • Evaluating how regulation have changed and shaped the financial services industry • List of priorities for the next year <p>Moderator: Duncan Wood, Editor, RISK Geoffrey Craddock, Executive Vice President, Chief Risk Officer, OPPENHEIMERFUNDS Jeff Holman, Managing Director, Chief Risk Officer, HIGHBRIDGE CAPITAL Sanjay Sharma, Chief Risk Officer, Global Arbitrage & Trading, RBC CAPITAL MARKETS</p>		
10:20	Morning coffee break		
	Stream one Risk management of trading book	Stream Two Regulatory risk and CCAR	Stream three Risk management of alternative investments
10:50	Chairman's opening remarks: TBC	Chairman's opening remarks: TBC	Chairman's opening remarks: TBC
11:00	<p>Collateral demand, margin procyclicality and liquidity management for buy-side firms</p> <ul style="list-style-type: none"> • What is margin procyclicalit by and in what ways do the clearing and margin rules potentially generate procyclicality? • What collateral is eligible for meeting margin requirements? • How should one risk manage against risk sensitive margin requirements? • How should one provide for sufficient liquidity resources to fund cash margin calls? 	<p>Asset allocation and security selection for bank portfolios under Basel III capital regime</p> <p>Ahmet Yetis, Director, BLACKROCK</p>	<p>Liquidity and risk management within alternative portfolios</p> <ul style="list-style-type: none"> • What matters • What works • Outsourcing versus DIY <p>Judith Posnikoff, Managing Director, Founding Partner, PACIFIC ALTERNATIVE ASSET MANAGEMENT COMPANY</p>

	<ul style="list-style-type: none"> What impact can the buy side have to influence the degree of procyclicality the rules may create? <p>Greg Fell, Managing Director, Global Head-Payments Systems Risk Management, CITIGROUP</p>		
11:40	<p>Panel discussion: Trading new frontiers: SEFs vs Exchanges</p> <ul style="list-style-type: none"> What are the differences between DCM and SEFs? How will trading behaviour change now that SEFs are live? What will it take to be a successful SEF – what’s the model that will win out? Who will be the winners and losers? <p>Moderator: C. Thomas Richardson, Managing Director, Head of Market Structure & Electronic Trading Services, WELLS FARGO SECURITIES</p> <p>Charley Cooper, Senior Managing Director, Head of the Americas Futures and OTC Clearing and Execution, STATE STREET GLOBAL EXCHANGE</p> <p>Raymond Kahn, Managing Director, Global Head of OTC Derivatives Clearing, BARCLAYS</p> <p>Supurna Vedbrat, Managing Director Co-Head of Electronic Trading & Market Structure, BLACKROCK</p>	<p>Effectively measuring and managing model risk</p> <ul style="list-style-type: none"> Basics of model risk The regulatory back drop Approaches to measuring and aggregating model risk Approaches to managing model risk <p>Kevin D. Oden, Chief Market & Institutional Risk Officer, WELLS FARGO BANK</p>	<p>Realistic expectations, critical considerations and risks involved in allocating assets in alternative investments</p> <ul style="list-style-type: none"> Knowing what you don't know: practical approach to diversification and sizing Prognosis versus port-mortem: building a forward-looking risk framework Integration of risk management and investment decision-making Evolution or risk transparency <p>Tatiana Segal, Managing Director, Head of Risk Management, SKYBRIDGE CAPITAL</p>
12:20	Lunch		

1:20	<p>Drawdown risk management</p> <ul style="list-style-type: none"> • Drawdown under IID Normal assumption • How long does it take to recover from a loss?: The Triple Penance Rule • Drawdown under non-IID Returns • The implications of hiring and firing traders based on their Sharpe ratio <p>Marcos López de Prado, Head of Quantitative Trading, HESS ENERGY TRADING COMPANY</p>	<p>Panel discussion: Reputational risk – and the role of operational risk management</p> <ul style="list-style-type: none"> • What is rep risk? Risk or Impact? • What is the source of RepRisk? • Why does it feel different today? • What is the role of OpRisk Management in managing it? • Quantification (should we and if so why / how?) <p>Moderator: Ann Rodriguez, Head of Enterprise and Operational Risk, GE CAPITAL Craig R. Spielmann, Managing Director, Global Head of Operational Risk Systems & Analytics, RBS Ivan Pooran, Head of Enterprise and Operational Risk, GE Capital Stephan Schenk, Head of Operational Risk, TD BANK</p>	<p>Panel discussion: Implementing an effective due diligence framework in evaluating liquid alternative investments</p> <ul style="list-style-type: none"> • What are the main red flags to look for? • How does due diligence team work with investment team? • Recent trend of risk transparency <p>James Nicholas, Global Head of Operational Due Diligence, UBS Michelle Ruvolo-Jones, Managing Director, CORRUM CAPITAL MANAGEMENT Brice Wilson, Senior Vice President, Head of Operational Due Diligence, MAGNITUDE CAPITAL</p>
2:00	<p>Hybrid structural default modeling</p> <p>Marat V. Kramin, Director, Fixed Income Analytics, WELLS FARGO SECURITIES Stephen D. Young, Chief Risk Officer of Affiliated Managers Division, WELLS FARGO ASSET MANAGEMENT</p>	<p>Group wide stress test and its application to living wills recovery planning</p> <ul style="list-style-type: none"> • Overview of DB’s group wide stress test (GWST) process, governance and use cases • DB’s approach to Recovery Planning • Tailoring GWST to the specific recovery planning requirements <p>Volker Weis, Head of Internal Capital Models, DEUTSCHE BANK</p>	<p>Strategic asset allocation for alternatives portfolios</p> <ul style="list-style-type: none"> • Understanding the common risk and return drivers in alternative strategies • The impact of dynamic volatility, asymmetry and fat tails • Correlation, contagion and tail risk • A strategic asset allocation framework for long-term investors <p>Arthur M. Berd, Editor-in-Chief, JOURNAL OF INVESTMENT STRATEGIES</p>
2:40	<p>Futurization of swaps in both interest rate and credit derivatives</p> <ul style="list-style-type: none"> • Why swap futures? What’s different this time? • What can swap futures do that swaps can’t? 	<p>Allocating operational risk economic capital</p> <ul style="list-style-type: none"> • What data can you use to drive the allocation? • How can your allocation provide incentives to improve the risk profile of the business? • A lot of operational risk comes from areas 	<p>Managing risk in single strategy and multi strategy fund of fund portfolios in an endowment context</p> <ul style="list-style-type: none"> • Risk-adjusted asset allocation • Managing portfolio tail risk • Where do you allocate risk in a high-fee

	<ul style="list-style-type: none"> • Execution, margin, and delivery mechanism of swap futures • Standardization, liquidity, and market structure of swaps and swap futures <p>Sam Priyadarshi, Head of Fixed Income Derivatives, VANGUARD</p>	<p>that don't take capital. How do you address this?</p> <ul style="list-style-type: none"> • How do you get buy-in from across the bank? • How can you tie capital allocation into your Risk Appetite Statement? <p>Patrick McDermott, Senior Vice President, Operational Risk Management, UNION BANK</p>	<p>environment?</p> <p>David P. Belmont, Chief Risk Officer, Risk Management, COMMONFUND</p>
3:20	Afternoon coffee break		
3:40	<p>Afternoon keynote address: The new normal and the SEC version 2.0</p> <p>The use of quantitative models and algorithms powered by advances in technology has increased drastically in financial sector: this trend is likely to continue and will create challenges in terms of compliance, risk management and regulation. In this talk we will outline a number of these challenges and touch on some of the SEC's initiatives to meet them.</p> <p>Jeff Ryan, Quantitative Analytics Unit, SEC</p>		
4:20	<p>*Global perspective debate*: Market risk - identifying emerging risks and opportunities</p> <ul style="list-style-type: none"> • Ensuring growth and profitability while adapting to new market conditions • Biggest risk for next year and business continuity plans • How do you ensure that your institution not only survives in this market conditions but flourishes? • Restructuring financial services in volatile markets <p>Moderator: Joe Rennison, Staff Writer, RISK</p> <p>Hans Humes, Chairman and Chief Executive Officer, GREYLOCK CAPITAL MANAGEMENT</p> <p>Meyrick Douglas, Chief Market Risk Officer, PRUDENTIAL FINANCIAL</p> <p>Daniel Mayenberger, Executive Director, Head of Model Risk Strategy, BANK OF AMERICA MERRILL LYNCH</p> <p>Paul Shotton, Managing Director, Deputy Head of Firm-wide Risk Control & Methodology, UBS</p>		
5:00	Closing remarks: Duncan Wood , Editor, RISK		
	End of the Risk USA conference		