EXPLORING STATISTICAL ISSUES IN FINANCIAL RISK MODELING and BANKING REGULATION

**Focusing on Success in Modeling of Operational Risk and Credit Risk **

Co-sponsored by the Office of the Comptroller of the Currency (OCC) and the National Institute of Statistical Sciences (NISS)

February 5-6, 2009 OCC, Washington DC

Thursday, 5 February 2009

8:15 *Registration: Coffee, Fruit and Rolls*

8:45 Welcome

Alan Karr, Director, NISS and Professor of Statistics and Biostatistics, University of North Carolina at Chapel Hill

Mark Levonian, Senior Deputy Comptroller, Economics, OCC

9:00 Keynote Address

Statistics and Quantitative Risk Management

Paul Embrechts, Professor of Mathematics, ETH, Zurich.

9:45 Operational Risk – Part 1

Regulators' Point of View

Emre Balta, Senior Financial Economist, Credit Risk Analysis Division, OCC.

Patrick de Fontnouvelle, Vice President, Quantitative Analysis Unit, Federal Reserve Bank of Boston.

10:30 *Break*

11:00 Operational Risk – Part 2

LDA at Work: Deutsche Bank's Approach to Quantifying Operational Risk

Michael Kalkbrener, Deutsche Bank

11:45 Statistical View of Financial Risk

Overview of Statistical Issues

David Hand, Professor and Chair, Department of Statistics, Imperial College

12:30 Lunch

1:30 Perspectives on Modeling Credit Risk

Moderator: Nicholas Kiefer, Professor of Economics, Cornell University, and Senior Advisor, Enterprise Risk Analysis Division, OCC

Regulators' Point of View

Dennis Glennon, Director, Credit Risk Analysis Division, OCC.

An Industry View

Douglas Dwyer, Managing Director, Moody's KMV

3:00 *Break*

3:30 Statistical View of Credit Risk

Overview of Statistical Issues

Don McLeish, Professor of Statistics and Actuarial Science, University of Waterloo

4:15 Panel Discussion - Impact on Issues for Model Validation

Econometrics – Banking Regulation and Banking Industry – Statistics

Moderator: John Dobelman, Lecturer of Statistics, Rice University

Nicholas Kiefer, Professor of Economics and Statistics, Cornell University, and Senior Advisor, Enterprise Risk Analysis Division, OCC

Min Qi, Senior Financial Economist, Credit Risk Analysis Division, OCC

John Liechty, Associate Professor of Statistics, Pennsylvania State University

Katherine Ensor, Professor and Chair, Department of Statistics, Rice University

5:15 Discussion of Friday's Agenda

5:30 Adjourn

Friday, 6 February 2009 (by pre-registration only)

8:30 C*offee, Fruit and Rolls*

9:00 Speakers' Round Table: Synthesis and Directions

10:15 Charge to Writing Groups (1=Overview, 2&3=Problems in Operational Risk 4&5=Credit Risk Modeling Problems 6=Model Validation Optimization)

10:30 *Break*

10:45 White Paper Drafting Groups

12:30 *Lunch*

2:30 White Paper Drafting Groups

3:00 *Break*

3:30 Group Progress Presentations

4:30 Adjourn