



REFERENCE LIST

January 2018

The profit-and-loss attribution test

January 2018- Peter Thompson (RM at ANZ Bank), Hayden Luo (Quantative M. at ANZ Bank) and Kevin Fergusson (specialising in quantitative modelling of financial and insurance products)

In this paper, we analyze the failure probabilities of the profit-and-loss attribution (PLA) test as defined in the final market risk standard published in January 2016 by the Basel Committee on Banking Supervision. We calculate theoretical failure probabilities under the assumption that both the hypothetical and unexplained profit-and-loss (P&L) for an individual instrument are normally distributed random variables with zero mean and a prescribed ratio of their respective variances.

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Risk culture: banks fall short in eyes of staff

January 2018- Steve Marlin (Risk Management writer)

This is what makes it such a slippery concept, senior risk managers say. Other aspects of risk management affect the way individuals and groups behave – such as risk appetite, risk limits, governance, and controls – but do not try to express, track and police behaviour itself.

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Banks wrestle with conduct risk capital add-ons

January 2018 – Simon Boughey (Writer at Risk.net)

Risk managers are well versed in the mechanics of operational risk capital. By now, they should be equally familiar with UK authorities' latest attempt to make bank executives accountable for the failings of their firms, known as the Senior Managers Regime. Few, though, would have placed those two elements together, one contingent on the other.

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Investors warm to quant tools to gauge political risk

January 2018 – Faye Kilburn (Senior writer for asset management and insurance)

BlackRock, the world's largest asset manager, is looking to use text sentiment analysis to gauge geopolitical risk, which it says is at its highest level since the Russian invasion of Crimea in 2014.

The BlackRock Geopolitical Risk Indicator (BGRI) works by tracking the number of times geopolitical risk is mentioned in the Dow Jones Global Newswire and Thomson Reuters' broker report database.

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Mitigating Cyberrisk in 2018

January 2018 – Marc D. Schein, (Risk Management Consultant)

Businesses face many risks related to technology, including the risk of a cyberbreach resulting in the loss of protected health information (PHI), personally identifiable information (PII) or payment card information. The threats are real, and the potential losses can be steep. The Ponemon Institute found in its 2017 Cost of a Data Breach report, that the average cost of a data breach in the United States in which customer privacy was compromised was about \$7.35 million, or \$225 per lost or stolen record.

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REFERENCE LIST

January 2018

Millennial Retirement ‘Discouraging’

January 2018 – Squared Away Blog

Baby boomers have limited time and only a few options to improve their financial prospects when they retire and give up a regular paycheck. Millennials have more time to do something about it. Their test of a comfortable retirement was set at a 75 percent replacement rate, meaning retirees need 75 cents in monthly income for every dollar earned in their final decade of working.

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Identifying Emerging Risks

January 2018 – Martin Weymann (Political & Emerging Risk Management at Swiss Re) and Rainer Egloff (Researcher)

For public and private institutions alike, a key ingredient for success is the ability to navigate a dynamic risk landscape—one that changes ever more rapidly and often materializes in unexpected ways. These changes modify known risks, create new ones and open opportunities for the insurance industry to reduce, mitigate and transfer risk.

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Risk of Disruption

January 2018 – Alan Seeley (Operational Risk)

The risk of losses from operational mistakes and disruptions, long considered a significant risk in the banking industry, has become an emerging concern for the insurance industry and its regulators, particularly in light of the increasing number of cyber breaches revealing sensitive consumer data held by insurers.

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Calculated Risk

January 2018 – Rafael Cavestany (RM Consultant), Etienne Hofstetter (RM) & Daniel Rodríguez (CRO)

For financial institutions, operational risk (OpRisk, or the risk of a change in value caused by the fact that actual losses—incurred for inadequate or failed internal processes, people and systems, or from external events [including legal risk]—differ from the expected losses) might not be the most material risk from a capital perspective.

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UPCOMING EVENTS

Risk.net

Accounting, regulatory metrics and banks' performance: An exploratory analysis and implications for risk management

January 2018 – Sidhartha Dash, Jing Zhang (Moody's Analytics)

This webinar explores the desirability of ROE as a performance indicator, as well as:

- ✓ The best metrics to gauge performance
- ✓ Whether regulatory capital is a useful measurement
- ✓ The advantages of economic capital as a measurement
- ✓ Correlating accounting and regulatory metrics with bank performance

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31st International Congress of Actuaries (ICA 2018)

4–8 June 2018, Berlin, Germany

Like no other metropolis in Europe, Germany's capital symbolizes the breakdown of old structures and the beginning of a new era of understanding and cooperation. May the unique atmosphere of a city that has re-invented itself in recent decades inspire you to be an integral part of a vibrant International Congress of Actuaries in 2018.

Come and join colleagues working together, at an event without cultural or geographical barriers.

[See the list of pension-related topics, or find out more about the ICA 2018](#)



UPCOMING EVENTS



5th African Actuarial Congress

15-16 March 2018, Casablanca, Morocco

The International Actuarial Association, in collaboration with the Moroccan Association of Actuaries, is organizing the 5th African Actuarial Congress, to be held in Casablanca on March 15th and 16th, 2018 at the Hotel Sofitel Tour Blanche. This event follows the international congress in November 2016 in Cape Town, South Africa, which brought together over 160 participants from 15 African countries and other regions of the world.

[Find out More About the Event](#)