

Implementation of Basel 2 A regulator's perspective

Presentation at Credit Scoring and Credit Control Conference
September 7-9, 2005

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Abstract

The proposals by the Basel Committee on Banking Supervision for an internal ratings based approach to capital requirements are due to be implemented over the next few years. This talk will focus on some of the implementation issues from the point of view of the regulator, particularly as they affect retail portfolios. It will cover early impressions arising from FSA reviews of risk modelling approaches for retail portfolios within banks and building societies and will focus on technical and modelling implementation challenges faced by firms in developing Basel-compliant rating systems. The talk will also touch on practical issues such as the application and approval process for IRB.