



## **Basics of risk management for small and medium banks of transition economies**

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**Participation fee:**

For companies-members of Uzbekistan Banking Association: 150 EUR

For companies-nonmembers of Association: 300 EUR

## Overview:

In recent years, the Government and the Central Bank of Uzbekistan have initiated a number of large-scale reforms in all areas of economy, including the financial sector. The current plans of the regulator include the gradual privatization of a number of state-owned banks and the improvement of the corporate governance quality. A key element of the latter is the organization of effective risk management.

The RAEX-Europe seminar in Tashkent is dedicated to the basics of risk management for medium and small banks operating in emerging markets with a complex operating environment. The main goal of the seminar is to share knowledge about modern tools and international standards of risk management in medium-sized banks and microfinance organizations. In addition, representatives of the Agency will disclose details of the procedure for assessing the bank's risk management systems within the process of assigning a credit rating. Therefore, participation in the seminar is useful not only for improving your own risk management system, but can also strengthen the bank's position in negotiations for the credit rating process.

### Learning objectives:

- Learn more about internationally accepted risk management standards, according to the recommendations of the Basel Committee;
- Get familiar with the examples of standardization of the risk management approaches in the CIS countries;
- Learn about practical tools for managing and mitigating different types of risks in banks;
- Get familiar with the cases of "failure" of risk management procedures in medium-sized banks in developing countries;
- To study samples of documents regulating the risk management procedure in small and medium-sized banks of the CIS;
- Become prepared for communication with CRA rating analysts as part of an assessment of corporate governance and risk management in a bank;
- Get familiar with the overview of the banking sector risks of Uzbekistan.

## About RAEX-Europe:

**RAEX-Europe** is an independent European Credit Rating Agency, affiliated with the international group RAEX, which has more than 20 years of experience in rating and analytical field. The Agency was registered by ESMA (European Securities and Markets Authority) and received ECAI status (External Credit Assessment Institution) in 2015. The head office of the Agency is located in Frankfurt-am-Main.

RAEX-Europe assigns classic credit ratings according to the international scale, assigns non-credit ESG (environmental, social & governance) ratings and issues ESG ratings, provides Green Bond Second Opinions, as well as organizes analytical events and conferences.

In December 2018 together with the leading Chinese rating agency CCXI, the Pakistani VIS Group and the Islamic rating agency IIRA, RAEX-Europe signed a memorandum dedicated to the preparation and publication of analytical products for the Silk Road countries. Therefore, the Agency's clients can have an access not only to European capital markets, but also to Chinese and other growing Asian markets.

## Venue:

**Republic of Uzbekistan, 100027, Tashkent, sh., A. Xo'jaev ko'chasi, 1, Uzbekistan Banking Association**

## The seminar supported by:

**Organizational support:** Uzbekistan Banking Association

## Agenda:

9:30 – 10:00      **Registration**

### **Section 1: Overview of standardization of risk management principles in banks**

10:00 – 10:15      **Welcome speech from the organizers and partners of the seminar**

10:15 – 10:30      **Welcome words from the RAEX-Group:** key stages of the Russian banking system development and current risk profile

10:30 – 11:00      **RAEX-Europe:** Risk management principles according to the recommendations of the Basel Committee VS local regulation in the CIS countries

11:00 – 11:30      **Q&A part**

11:30 – 12:00      **Coffee break**

### **Section 2: Instruments and procedures for risk management system in a bank**

12:00 – 13:30      1. Basic rules for organizing risk management in a bank  
2. Organization of risk management in a bank and microfinance organization: differences and similarities  
3. Key elements and tools of a bank's risk management by risk type:

- Credit risk
- Operational risk
- Interest rate risk
- FX risk
- Liquidity risk

4. Key non-financial risks for banks in transition economies  
5. Assessment of ESG risks as a new dimension in developed financial markets  
6. What tools and procedures of risk management are most suitable for small and medium-sized banks in terms of costs / benefits?  
7. Organizational features of risk management for small banks  
8. Examples of failures of risk management systems of small banks: how to avoid repetition in your bank  
9. How do credit rating agencies evaluate the effectiveness of the risk management system in assigning credit ratings to banks (RAEX-Europe / S & P / Fitch / Moody's)?

13:30 – 14:00      **Q&A part**

14:00 – 14:30      **Coffee break**

### **Section 3: Overview and outlook for the banking market of Uzbekistan**

14:30 – 15:00      Risks of the banking system of Uzbekistan

15:00 – 15:30      **Q&A part**

*At the end of each session, the seminar participants will have the opportunity to ask practical questions regarding the organization of the risk management system in the bank and specific tools for assessing and mitigating risks.*

## Learning materials:

- Presentation “Basics of risk management for small and medium banks of transition economies”;
- Samples of documents regulating risk management procedures in small and medium-sized banks from the CIS;
- Methodology for assigning credit ratings to banks (RAEX-Europe);
- Report on the banking system of the Republic of Uzbekistan (RAEX-Europe).

## Invited for participation:

- Employees of banks, especially the following units:
  - ✓ Risk management department
  - ✓ International development department
  - ✓ Interbank department
  - ✓ Treasury and securities transactions department
- Representatives of microfinance organizations
- Representatives of other companies in the financial sector

## Information about previous event:

“Use and regulation of credit ratings in the European Union” round-table was jointly organized by RAEX-Europe and the Association of the Banks of the Republic of Uzbekistan in Tashkent on the 6th of November 2018.

Purpose of the round-table was to familiarize participants of the banking sector of the Republic of Uzbekistan with the current features of the regulation of credit ratings and credit rating agencies in the European Union, as well as with the ways of using such credit ratings.

The methodological approaches of RAEX-Europe to assess the creditworthiness of banks and the current credit risk assessment of Uzbekistan were introduced.

### Event attendees:

- Association of the Banks of the Republic of Uzbekistan
- Commercial banks from Uzbekistan
- Asian Development Bank
- German bank KfW
- International Chamber of Commerce



## Contact information:

If you are interested in the event participation:

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If you have questions regarding the presentation and additional materials:

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