

Information Request on IRB Rollout Plans and Preparation

Section I: General Information

The information required under this section seeks to obtain a broad overview of a bank's IRB rollout plans. Banks need not restrict its information to below but are encouraged to provide further information where necessary to facilitate the overview. A bank should submit to MAS:

- A cover letter summarizing its intended date for IRB adoption and its objectives for IRB adoption.
- Overview of the banking group's organizational structure as well as description of the key business lines and legal entity structures of the bank.
- The Basel II Implementation Project Plan of the banking group, endorsed by the Board and Senior Management, for each entity within the group as well as on a consolidated basis. Please indicate the entity (ies) within the banking group that is (are) expected to adopt IRB approaches at (i) the bank's intended date for IRB adoption, and (ii) for each of the following 2 years from IRB adoption date in accordance to the format given in **Table I**.
- Information on each entity's share of the banking sector assets in the country of incorporation (for parent bank and subsidiary) or country of operation (for the branch).
- For each Basel 2 asset class in Table I, provide details as follows:-
 - i) Are credit risk policies formulated centrally? If so, please indicate location.
 - ii) Are credit exposures approved centrally? If so, please indicate location.
 - iii) Is credit monitoring performed centrally? If so, please indicate location.
 - iv) When was the last date of inspection by the local regulator?
- A roll-out plan, detailing the significant milestones as well as the allocation of resources in terms of timeline, budget and staffing.
- Information on the key project team members/committees and their major roles/tasks assigned by the Board or senior management in implementing the IRB approaches for the bank as well as their relevant reporting lines.

Section II: Bank's Self-assessment

The information required under this section aims to obtain a preliminary understanding of the bank's state of readiness through the bank's self-assessment against the IRB requirements as set out in the Basel II document and MAS' guidelines on IRB Adoption: Supervisory Permission and Rollout Parameter as listed in Annex 1. In this regard, the bank is expected to conduct a preliminary gap and impact analysis to holistically review its current risk management capabilities, systems and operation. The exception-based findings of this assessment should enable any potential issues to be identified as early as possible and the issues resolved in a timely manner. A bank should:

- Confirm whether this preliminary self-assessment has taken place and has been reviewed by the appropriate parties in the bank.
- Provide details of the self-assessment process undertaken by the bank. This analysis should focus on identifying all gaps, separating areas where the bank has fully met, partially met or yet to meet the requirements.
- Provide details of the exception-based findings. For areas where gaps have been identified, provide action plans for the bank to fill these gaps.

Section III: Submission Requirements

This submission should be signed-off by the heads of the risk management and finance functions as well as the heads of significant business units of the bank. We also expect this submission to be endorsed by the bank's Chief Executive Officer and be brought to the attention of the bank's Board of Directors at an appropriate time.

The submission should reach MAS by no later than **31 January 2005**.

MAS continues to be in contact with the banks and in particular to seek more information following the banks' responses to this preliminary information request.

