

Training International Regulators

Dateline 2004. Banking Supervision and Regulation staff traveled to Europe, South America, Mexico, Asia, and the Middle East to deliver bank examiner and technical training to international regulators. Staff also conducted training for foreign examiners who visited the San Francisco Reserve Bank.

Through the Bank's programs and those coordinated by the Board of Governors, Twelfth District banking experts meet regularly with international regulators to share information on regulatory issues and processes and to provide training. These exchanges provide opportunities to network and to convey the Federal Reserve's commitment to international cooperation among foreign regulators and central banks. Additionally, building international ties provides opportunities to track the latest trends and developments in foreign banking and financial sectors, which affect U.S. sectors.

Training sessions held in 2004 covered risk-focused supervision—looking at the bank examination process, core supervisory issues, auditing, and credit and market risk analysis, among other topics. At a seminar held in Cairo, Egypt, 47 financial regulators representing ten Middle Eastern and North African countries studied operational risk in a session presented by Twelfth District banking experts. The U.S. Treasury sponsored the event, which was cohosted by the Central Bank of Egypt and the Egyptian Banking Institute as part of a new outreach effort to Middle Eastern regulatory authorities.

Because of its close geographical ties to Asia, the Twelfth District is the Federal Reserve System's knowledge center for monitoring and analyzing financial and banking developments in this growing region. During 2004, visiting examiners from Japan, Korea, and China attended on-the-job examiner training in San Francisco. The training included on-site examination work combined with a series of seminars with topics ranging from understanding basic CAMELS* risk analysis in bank exams to developing enterprise risk management techniques.

* Fed examiners evaluate a bank's risk levels related to six factors, together called a "CAMELS" (capital, assets, management, earnings, liquidity, and sensitivity to interest rate fluctuations) rating.