



**Actuaries  
Institute**

# Actuaries in Banking

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# Agenda

- Welcome
- Banking Practice Committee
- Summary of Survey Results
- Specific Survey Outcomes
- Discussion

## Banking Practice Committee

- Bring together actuaries in banking and ensure there is adequate support and links into the Institute
- Establish relationships with key stakeholders and decision makers across the banking sector
- Establish appropriate working groups to research, report and publish on critical issues

## Banking Practice Committee

- Identify emerging technical and practical needs of members in the banking sector
- Liaise with APRA on industry wide matters
- Provide guidance to Institute on emerging risks, product innovation, revisions to standards and risk measurement techniques
- Over time purpose will evolve to establish, maintain and enforce banking specific professional standards and education

## Banking Practice Committee

- Phillip Everett  
(convenor)
- Nicholas Scott
- Michelle Cater
- Lisa Simpson  
(council liason)
- Steven Claxton
- Peter Sinkis
- Joshua Corrigan
- David Su
- Paul Nuttall
- Chao Qiao  
(secretary)
- David Bell  
(attendee)

# Summary of Survey Outcomes

## Roles:

- Front-office Investment Banking (19%)
- Middle-office Finance (17%)
- Credit-risk Roles (19%)

## Pathways / Bridges to roles in banking:

- Loss modelling (General Insurance to Bank Credit Risk)
- Product management
- Economic Capital (Life Insurance)

# Summary of Survey Outcomes

## Growth Areas:

- Risk-based Capital: parametisation a continuous work in progress
- Internal Credit Risk Models: Actuaries emerging as thought-leaders

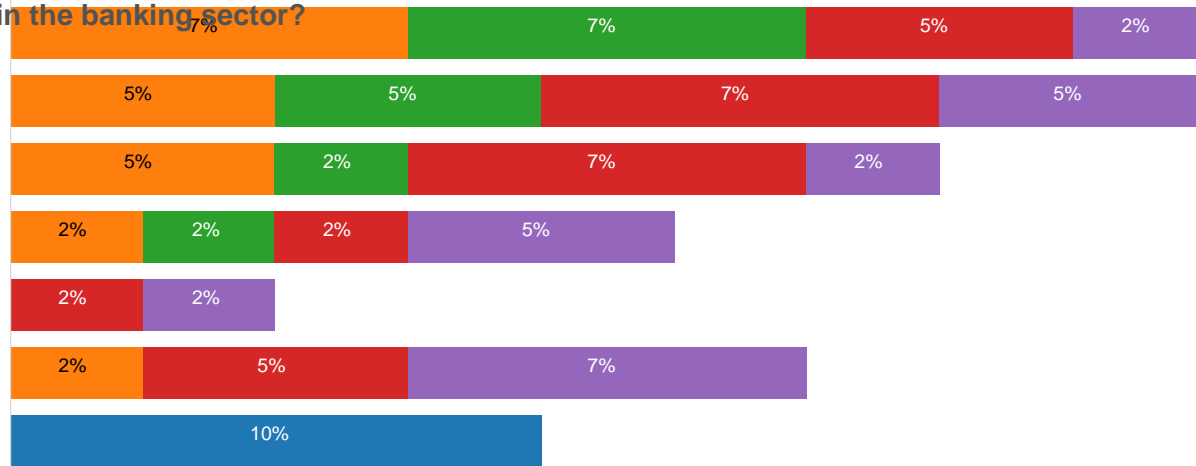
## Drivers & Opportunities:

- Regulatory change: Basel III capital and liquidity standards
- Risk Management: Economic capital
- Macro-economic: Sovereign and bank risk models
- Accounting: IAS9 Forward looking credit provision



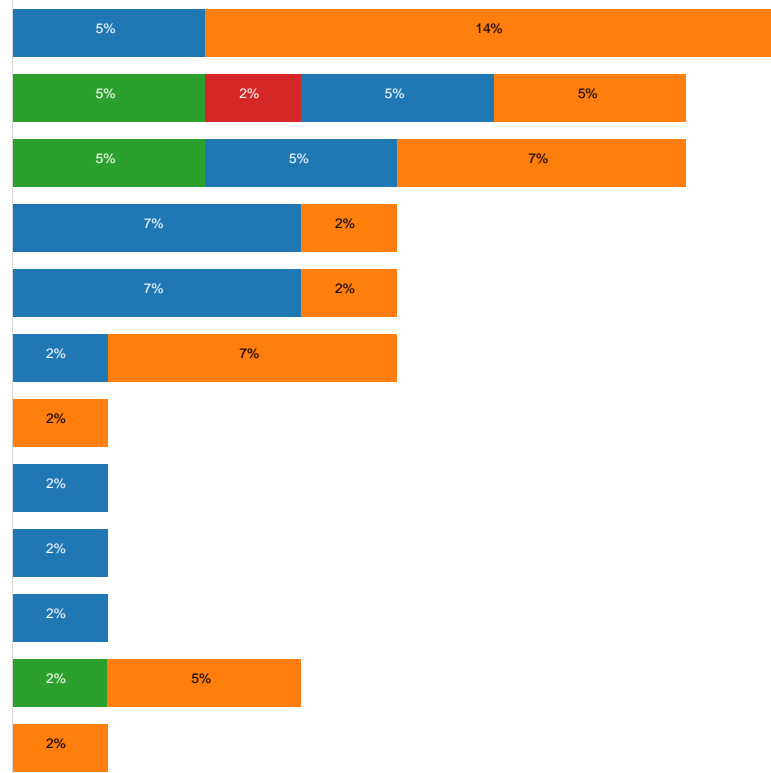
# Background

How long have you worked in the banking sector?

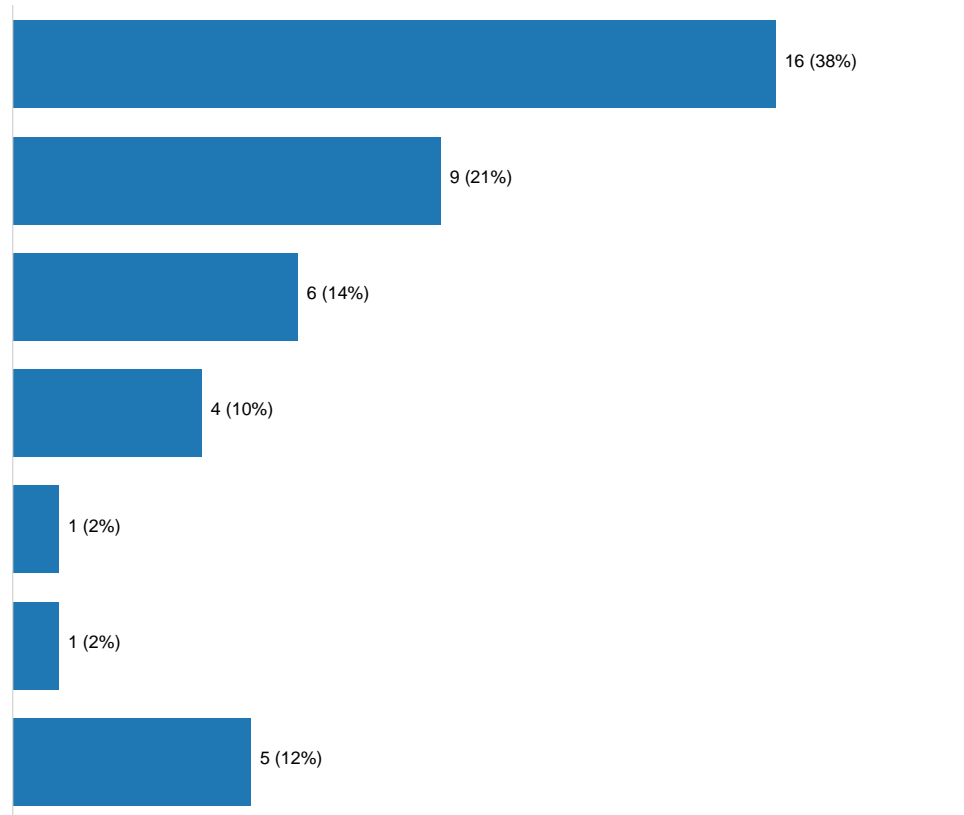


# Current Roles

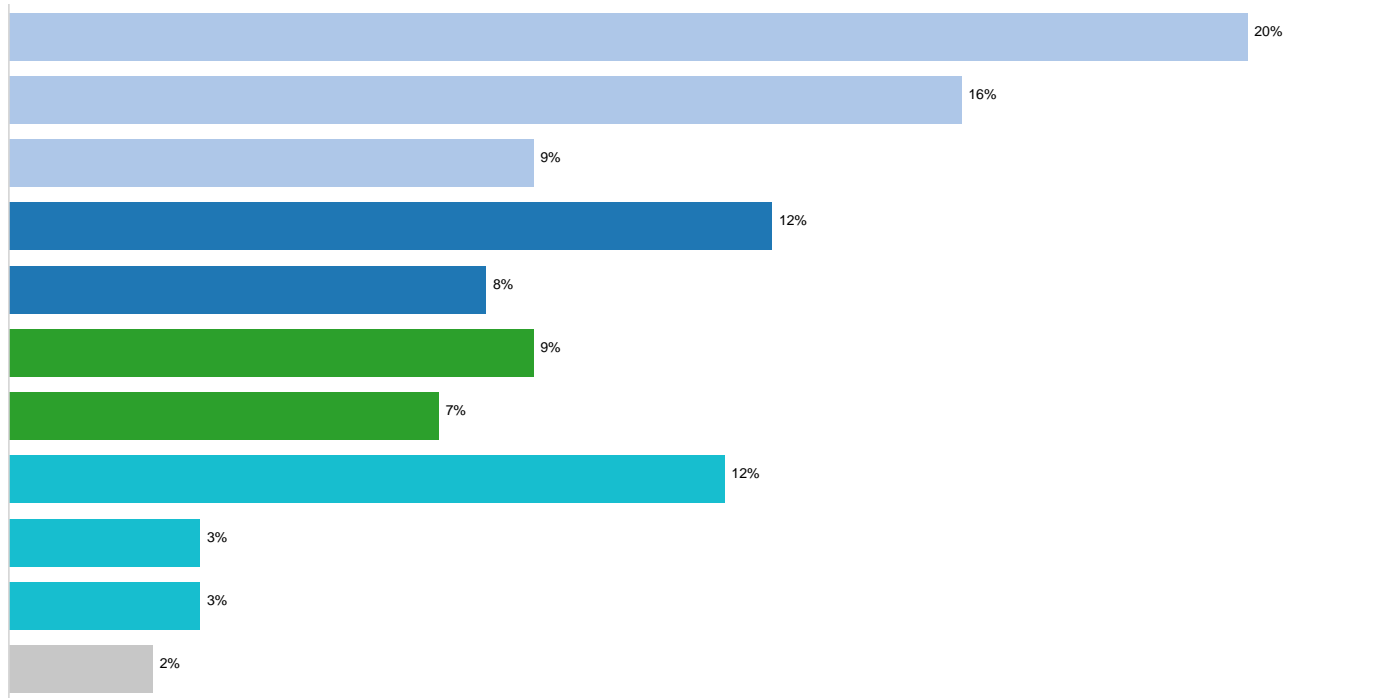
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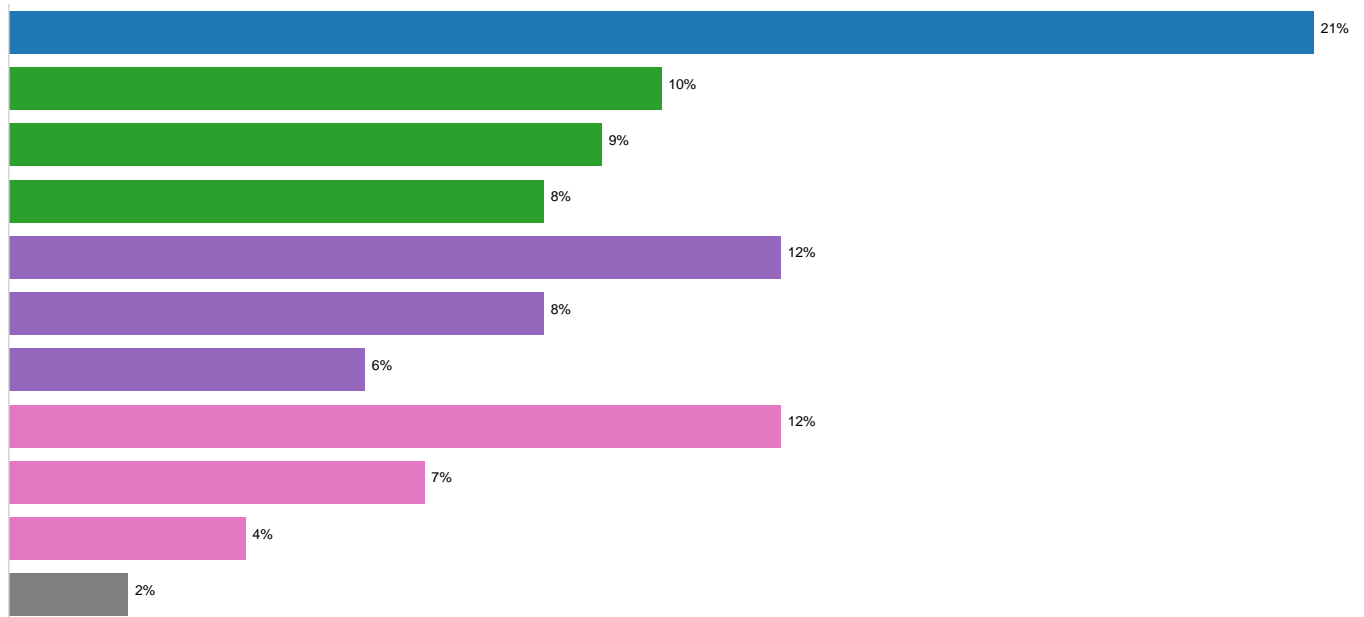
# Perceptions



# Current Areas



# Development Areas



## Future Opportunities

- Risk management (10%) and the Basel III Requirements (10%) are most dominant issues and challenges
- Post-survey interviews presented potential areas including sovereign risk models, stress testing and credit provisioning (IAS 9)
- Several members highlighted the opportunity to apply quantitative pricing models to banking products
- Aligning banking education with other actuarial bodies

# Questions & Discussion



