

2012

The Impact of Basel III in Pakistani Banking Sector

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3/30/2012



DEDICATION

We dedicate our project and all effort behind completion of this project to our beloved parents. They have really worked hard for us and there prays are always with us.

ACKNOWLEDGEMENT

There is no success without the will of God Almighty. We are grateful to Allah, for giving us guidance, Sir Muhammad Rafi for the help & The Bahria University that he extended to us during the making of this project. Because this project would not have been possible without his guidance .

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ABSTRACT

The new Basel III requirements expose banks across the globe to major challenges regarding their capital and liquidity requirements as well as their risk management. The new Basel III proposal was published in December 2010 by the Basel Committee on Banking Supervision and will be phased in over the next couple of years. Identifying the necessary steps for compliance and developing a comprehensive plan to address the issues and concerns raised by Basel III are by now a significant undertaking for most banks. Accenture works with banks in a number of areas to address Basel III issues and set priorities for the near, mid- and longer term. With our extensive experience across a wide variety of aspects of risk management, and long-time project management experience in Basel related areas including functional, technical and process-related assignments, Accenture is well suited to help banks chart a course in the Basel III landscape. Accenture brings to bear a wealth of highly experienced professionals as well as project management tools to assist in identifying the gaps to effectively implement Basel III, address risk and issue management, progress tracking and status reporting, helping identify deviations from the project plan, target achievements and initiate measures to get back on the path to completion. We believe that the real challenge for affected banks will be to build upon the actions mandated by Basel III to create stronger capital

and risk structures. Banks that meet and surpass the Basel III requirements may not return to levels of profitability experienced before the global financial crisis of 2008 and 2009, but they will be in position to be well-prepared for the next crisis and achieve high performance within their industry.