

Letter from the President

Alain Bastin

President, PRiM

Dear Friends, Dear Members,

PRiM recently celebrated its 6th anniversary. Since July 1997, we have successfully organised numerous events, conferences and training programmes, which has only been possible because of the continuing support of our members. The PRiM membership list has grown incessantly since the association began and now includes more than 150 members. We are certainly grateful to our members for their active support of PRiM and the events that we have organised. Thank you! We also appreciate the recognition and encouragement that we have received from the Commission de Surveillance du Secteur Financier (CSSF) and the Association of Banks and Bankers of Luxembourg (ABBL).

PRiM is proud to belong among the principal associations of the Luxembourg financial centre in the same capacity as its fellow associations (i.e., ACI, ALFI, IACI, ALGAFI, ATEL and many others), to which we send our regards.

It is certainly not by chance that the publication of the *PRiM Risk Newsletter* coincides with the celebration of our sixth anniversary. Not only is our organisation now sufficiently developed to meet this challenge, we also believe that the timing is right for the publication of a vehicle that encourages the exchange of ideas and information on risk.

Particularly the new Basel standards, which this year have been a major area of focus

for PRiM and its members, have encouraged the launch of the newsletter. The advent of a regulatory approach to operational risk has created an interest far beyond expectations in Luxembourg. The task of defining and implementing methodologies specifically aimed at quantifying operational risk has led PRiM together with the ABBL, ALFI and several renowned academics to initiate the LuxOR Project. Regular updates on LuxOR will appear in the *PRiM Risk Newsletter*.

In 2002, PRiM created its own Web site (www.prim.lu), which was financed through the support of several local companies (i.e., Dexia-BIL, HVB Luxembourg, PricewaterhouseCoopers, Banque de Luxembourg, KBL Group, Deloitte & Touche, Reuters, Banque Degroof Luxembourg and Monster.lu), each of which I sincerely thank for their help.

PRiM's initiatives in the educational field are also important. On an international level, PRiM works regularly with the ATTF (the Financial Technology Transfer Agency, www.attf.lu). In Luxembourg, PRiM renewed its partnership with the IFBL (www.ifbl.lu), offering a very high quality "Financial Risk Management" training course, which prepares candidates efficiently and pragmatically for the international risk management certification programmes promoted by GARP (www.garp.com) and PRMIA (www.prmia.org), global risk management organisations with which PRiM is in regular contact, while retaining our own independence.

The 2003 PRiM Financial Risk Management course had a duration of five days and was taught by Professor Philippe Jorion, Professor of Finance at the Graduate School of Management of the University of California at Irvine.

The course was preceded by a five-day preparation session on quantitative and mathematical aspects, which was taught by Professor Georges Hübner, Deloitte & Touche Professor of Financial Management at the University of Liège.

PRiM's development over the last six years has been challenging, but also very impressive. It is with a certain satisfaction and pride that I look back on the long way we have come since 1997.

The same passion that has motivated me in developing PRiM can be found in my fellow board members without whom we would not be where we are today. Their commitment and support certainly warrant our recognition and appreciation.

Finally, I must give special thanks to Mr Arthur Philippe, Director of the Commission de Surveillance du Secteur Financier, for the support he has given us in our various initiatives and actions.

Alain Bastin, President of PRiM