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To: <emailmaster@bis.org>
Date: 4/12/01 12:49pm
Subject: Comment on new basel accords(Credit)

This is also with respect to the haircut standardized approach,I can clearly see that there is a tendency to encourage secured lending at the expense of none secured one, this trend is working against the general rules on which the credit function is built.As the fundamental technics weight the ability of the borrower to repay from resources other than the presented collateral,I believe that this rule should be reflected in the proposed standards. In other words increasing the amount of funds required to be allocated for the unsecured lending or the uncovered portion of the exposure should no be the case in all scenarios,I recommend that in cases where the credit worthness of the borrower (particularly track record /financial soundness and current performance) represent an excellent case this element(credit worthness) should be dealt with as collateral and should be subject to haircut process and consequently reflected as a mines when calculating required funds at the end of the day.

C should include (Securities/cash/equities.....and creditworthness)

Thank you