Bank Asset-Liability Management

A 3-day guide through the key areas of bank ALM

NEW!

Where leaders learn

Basel III implementation is upon us and banks now need to work towards balance sheet optimization in order to satisfy the sometimes competing demands of the regulator, the customer and the shareholder, and to preserve shareholder value efficiency. Efficient and effective asset-liability management (ALM) practice is the primary part of this process.

This 3-day workshop guides participants through the key areas of bank ALM: integrated ALM origination framework, capital management, liquidity risk, Funds Transfer Pricing (FTP) and interest rate risk in the banking book (IRRBB). It addresses both the challenge

of implementing an efficient regulatory submissions process (ICAAP and ILAAP), to ensure that a bank is able to implement best-practice processes, and the "3-dimensional" optimization problem of meeting the requirements of all stakeholders.

Material from the instructor's books The Moorad Choudhry Anthology and The Principles of Banking is used in the workshop. Case studies and group exercises are used throughout the course to reinforce learning.

How you will benefit

✔ Implement best-practice ALM processes

✔ Ensure effective and best-practice ICAAP and ILAAP processes

✔ Apply strategic ALM discipline to ensure an optimized balance sheet in Basel III implementation

✔ Implement an integrated liabilities strategy that will optimize the liability structure while enabling efficient compliance with NSFR and LCR

✔ Manage the balance sheet efficiently to account for new capital regulations such as Leverage Ratio

✔ Ensure IRRBB is managed efficiently to maximize hedge effectiveness and to minimize the regulatory capital charge

✔ Apply best-practice FTP processes into origination strategy to maintain effective balance sheet management

✔ Adopt an effective ALCO operating framework and governance mechanism that delivers an efficiently managed balance sheet

Faculty

Professor Moorad Choudhry is the former Chief Executive Officer of Habib Bank AG Zurich in London, and Honorary Professor at University of Kent Business School. Previously Moorad was Head of Treasury at RBS Corporate Banking, Head of Treasury at Europe Arab Bank, Head of Treasury at KBC Financial Products and vice-president in structured finance services at JPMorgan Chase Bank. He began his career at the London Stock Exchange in 1989.

Moorad is a Fellow of the Chartered Institute for Securities & Investment, a Fellow of the Global Association of Risk Professionals, a Fellow of the Institute of Directors, a Fellow of the London Institute of Banking & Finance and a Freeman of the Worshipful Company of International Bankers. He is on the Editorial Boards of the Journal of Structured Finance and Qualitative Research in Financial Markets and has authored over 20 textbooks on banking and finance.

⊘ **3 days**　　　　　📅 **Check AIF.nl for dates**
🝫 **€ 3,600**

Program Content

Day 1
Strategic ALM and Best-practice ALM principles

Customer product origination process and strategic plan
• Board Risk Appetite Statement (RAS), Key Risk Indicators (KRIs) and strategic planning process

Basel III Liquidity: NSFR and LCR
• Reporting
• Strategic ALM and balance sheet management implications

Basel III Additional monitoring metrics

Basel III Liquidity principles

ILAAP principles
• What makes a good ILAAP? What makes a poor ILAAP?
• Ensuring an efficient and value-added ILAAP process

Case Study: An ILAAP preview session

Day 2
Basel III Capital
• Capital management and capital planning

Basel III – Interest Rate Risk in the Banking Book (IRRBB)
• Balance sheet management
• Pillar 2A capital impact on business lines

Basel III – Interest Rate Risk in the Banking Book
• Hedging and Strategic ALM
• Key Metrics NII and EVE

Case Study: IRRBB implementation

ICAAP best practice principles
• Basel III ICAAP and Management Actions
• Process into Recovery Plan standards

Day 3
Funds Transfer Pricing (FTP)
• Liquidity term premium best-practice
• Balance sheet management
• The FTP curve methodology

Applying FTP to Banking Book
• Funding policies
• Product applications

ALCO Governance and Framework

ALCO best-practice principles
• How to ensure an effective ALCO process
• What makes a fit-for-purpose ALCO?

Group Exercise / Discussion Forum

Who should attend?

The Bank Asset-Liability Management program is relevant to executives who want to better grasp key areas of bank ALM. The training is especially beneficial to: ALCO and EXCO members, Head of Treasury and staff, Head of Balance Sheet Management, Head of Money Markets, Head of ALM, Head of Liquidity Risk, Head of Deposits, CRO and staff, CFO and staff, Product management, Head of Regulatory Reporting and staff, Head of Internal Audit, ILAAP and ICAAP authors, Management consultants in the Basel III space, Board NEDs.

CFA Society Netherlands | vba

This program is eligible for **18 CE credit hours** as granted by CFA Society VBA Netherlands

Enrolling & Practical Information

Enrollment requirements
AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their organizations. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

Accommodation
AIF has special corporate rates available for participants at a number of hotels in central Amsterdam.

Certificates
An AIF certificate of attendance is awarded to all participants who successfully complete the program.

Program location
The programs are held in the center of Amsterdam, within an easy walk from Amsterdam Central Station, and within 30 minutes from Schiphol international airport.

Program fees
Program fees include tuition, all comprehensive program materials, books, and any software that is required for the program, as well as luncheons and daily refreshments. Accommodation is not included.

In-company programs
For information on how AIF can add value to your organization via a tailored in-company program, please contact AIF directly at: +31 20 520 0160.

Ready to learn more? Find your program and reserve your place at AIF.nl

About Amsterdam Institute of Finance

AIF is a global financial innovation and education institute headquartered in Amsterdam. Through our open enrollment programs in Amsterdam and our in-company programs throughout the world, we connect ambitious professionals with the best minds in finance and other related topics. Taking part in one of our programs is a direct investment in your personal future and the success of your organization.

This is what makes the AIF experience unique:
- We believe in responsible, sustainable and inclusive finance
- Our clients, rather than profits, come first
- AIF is an independent and not-for-profit foundation, which allows us to cherry-pick our faculty from the world's leading business schools, such as INSEAD, Oxford, Kellogg, Cambridge Judge and others
- AIF delivers top quality programs. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in of one of our programs means you become part of the AIF network, connecting you to professionals from more than 1,200 organizations in over 110 countries

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