



9100



In-Class



24 hours



EGP 6,000

Course Description:

Every company must manage the delicate balance between its assets and its liabilities. For banks, asset and liability management is crucial for managing risk and ensuring an optimal level of liquidity. This course provides participants with a good understanding of how banks use asset and liability management (ALM) to reduce and manage a variety of risks.

Target Audience:

Top and medium level executives from banks (commercial and central), financial institutions or supervision authorities, involved in risk management, asset & liability management, treasury and internal control.

Course Objectives :

The objective of this course is to provide the participants with an overview of fundamental as well as advanced techniques in Asset & Liability management.

At the end of this course participants will:

- get acquainted with ALM methods to deal with the daily issues facing ALM management departments in banks,
- learn to get familiar with the key risk concepts and retain them through the use of illustrative examples and practical applications,
- be able to analyse ALM frameworks and to understand how ALM standards are developed and how to implementing them in an efficient way in a bank,
- be able to integrate the learned concepts in their respective work as the course aims at mixing theoretical and practical aspects of ALM risk management in a systematic way.

Course Outline:

- Introduction to ALM and the Basics of ALM
- ALM governance
- The ALM function
- Setting the ALM risk appetite
- The role of the Asset and Liability Management Committee (the ALCo): case study
- Investing the Own Funds of the Bank

- Definition of a neutral level for Interest Rate Risk
- Interest Rate Risk in the Banking Book (IRRBB): Standardized regulatory framework for IRRBB
- Interest rate risk: impacts on Net Interest Income (NII) and Economic Value of Equity (EVE)
- IRRBB: Typical metrics employed for measuring interest rate risk:
 - NII risk: repricing GAP analysis, earnings simulation, scenario analysis, stress testing
 - EVE risk: duration of equity, Value at Risk (VaR), scenario analysis, stress testing
 - Strengths and weaknesses of the NII approach
 - Strengths and weaknesses of the EVE approach
- Computer workshop:
 - Calculating the interest rate GAP report for a Bank
 - Measuring Interest Rate Risk in the Balance sheet by using duration of equity, scenario analysis and stress testing
 - Measuring interest rate risk in the Balance sheet by using scenario analysis, VaR, scenario analysis and stress testing
- Managing the two perspectives of interest rate risk: NII risk and EVE risk ALM simulation models
- IRRBB governance: The Basel Committee regulatory framework for measuring interest rate risk in the banking book
- Liquidity risk
 - Asset Liquidity Risk
 - Liquidity Risk Management for Banks
 - Internal Liquidity Adequacy Assessment Process (ILAAP)
- Foreign Exchange (FX) Risk
- Fund transfer pricing (FTP) systems:
 - objectives and methods
 - the role of the ALM center
 - non-Maturing Liabilities (NoMALs)
- Implementation of an ALM system
- Q&A session

Course Provider:

ATTF/House of Training