



CENTRAL BANK OF EGYPT
Egyptian Banking Institute

Asset and Liability Management

ACCREDITED BY



A Partnership for Quality™

Investment and Treasury



399-P26-CE-1



In-Class



25 hours

Course Description:

In this course, mid to senior-level banking professionals will be able to analyze structural risks within the balance sheet, including interest rate and liquidity risk, and design robust ALM strategies using regulatory and financial tools. This will be achieved through case-based simulations, hands-on modeling, and practical group work, culminating in a capstone project presented to a mock ALCO panel, demonstrating the participant's ability to apply ALM concepts in a real-world context.

Target Audience:

- Treasury, middle office, and back office.
- Assets and liability management & Basel & Product teams.
- Treasury audit and finance.
- Risk Management (Market Risk & Credit Risk).
- All asset managers, as well as corporate financial officers.
- Those in related fields who seek to expand their knowledge of the bond market

Course Objectives:

- Define how bank ALM management is critical to achieving the bank's objectives.
- Identify risks to the bank balance sheet.
- Identify the treatment of interest rate risk on the banking book under the Pillar 2 supervisory review and evaluation process.
- Discuss going concern and contingency liquidity plans.
- Identify and manage interest and currency rate risk on the balance sheet.

Course Outline:

Module 1: Introduction to Key Assets and Liability Management Concepts

- Asset/Liability Management.
- the objectives of Asset/Liability Management.
- ALM Organization.
- The ALM Desk & Policies.

- ALM Implementation.
- ALM Information Systems.
- Risks Managed by ALM.
- Asset and Liability Committee (ALCO).

Module 2: Balance Sheet Management

- Components of a bank balance sheet.
- Income Composition.
- Profitability Metrics.
- Interest Rate Outlooks.
- Yield Curves definition.
- Yield Curves Scenarios.
- Connection to the Asset Liability mismatch.

Module 3: Interest Rate Risk Measurement & Management

- Interest Rate Risk.
- Determines Rate Sensitivity.
- Analysis and NII Impact.
- Duration Gap Analysis.

Module 4: Liquidity Risk (Insolvency Risk)

- Types of funding and funding mix.
- Refinancing needs and funding plans.
- Maturity transformation and liquidity gaps.
- Loan to deposit ratio.
- The Liquidity GAP report.
- Deposit dynamics: stickiness, betas, and retention rates.
- Asset dynamics: prepayment and extension risks.
- Regulatory measures of liquidity: liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).

Module 5: Currency Risk Management

- Identifying currency mismatches.
- Net open positions.



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Assessment Strategy

Participants will be informally assessed on their interaction during sessions and their participation in exercises.

Course completion will grant participants:

2.1 CEUs

Course Language:

English.

Prerequisites:

- Knowledge of basic accounting principles.
- Minimum two years of experience in a related field.
- Good command of English.