



Risk Management: Asset & Liability Management - Mastering it ORGANISATION SHEET

<p>Objectives</p>	<p>The objective of this course is to provide the participants with an overview of fundamental as well as advanced techniques in Asset & Liability management.</p> <p>Participants will:</p> <ul style="list-style-type: none"> ▪ 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.
<p>Methodology</p>	<p>The methodology is based on theoretical lectures, interactivity and exchange of views, problem solving, practical exercises and case studies.</p> <p>Important remark: All participants should bring along a portable PC to perform practical workshops by using Excel.</p>
<p>Target group</p>	<p>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.</p>
<p>Language</p>	<p>A good command of English is required.</p>
<p>Participants</p>	<p>Between 12 and 20 participants</p>
<p>Expert</p>	<p>Mr Guy Mertens, member of ALRiM and of the House of Training Quality Cercle ALRiM in Risk Management¹.</p> <p>Guy Mertens currently holds the position as Head of the Derivatives Division in the Risk Management Department at the European Investment Bank (EIB). Before taking on these responsibilities, he was leading the</p>





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ALM unit in the EIB's Risk Management Department. Prior to joining EIB, he worked at the Banque de Luxembourg as a Money Market trader. He holds a Master's degree in Economics from University Louis Pasteur in Strasbourg France and a Certificate in Finance from New York University.

Place & Date

3 days

From Monday 1 to Wednesday 3 April 2019

Programme organised in collaboration with and validated by





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Skopje, Republic of Macedonia, April 1-3, 2019

Risk Management: Asset & Liability Management - Mastering it CONTENT

DAY1

Introduction to ALM
The Basics of ALM
Banking book / Trading book
Interest Rate Risk and Foreign Exchange risk
ALM and Liquidity Risk
ALM governance
The ALM function
Setting the ALM risk appetite
The role of the Asset and Liability Management Committee (the ALCo)

Case study: the ALCo

Interest rate risk:

- Interest rate risk: impacts on Net Interest Income and Economic Value
- Interest rate risk: repricing GAP analysis

Computer workshop:

- Calculating the interest rate GAP report for a Bank

Day 2

- Investing the Own Funds of the Bank
 - Definition of a neutral level for Interest Rate Risk
 - Managing the two perspectives of interest rate risk: Earnings Risk and Economic Value Risk
 - Defining a neutral level for interest rate risk
- Interest Rate Risk: duration of equity
 - Computer workshop : Measuring Interest Rate Risk in the Balance sheet by using duration of equity
 - Computer workshop: Measuring interest rate risk in the Balance sheet by using scenario analysis
- Stresstesting : impact on earnings and on economic value of a Bank
- ALM simulation models
- The Basel Committee regulatory framework for measuring interest rate risk in the banking book

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Day 3

Liquidity risk

- Asset Liquidity Risk
- Liquidity Risk Management for Banks
- Internal Liquidity Adequacy Assessment Process (ILAAP)

- 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

Important remark:

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Remark: By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described herein.

¹ *One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted. Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology. In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls "Quality Circles", that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.*