



DURATION

3 Days



DELIVERY CHANNEL

Virtual  
Instructor-Led  
OR In-Person  
Classroom



PROGRAM LEVEL

Intermediate

PREREQUISITES

None

ADVANCE PREPARATION

None

## Overview

This course reviews the pivotal role of asset and liability management in the enterprise-wide management of a financial institution.

Using case studies that mimic real-life scenarios faced by ALM practitioners, learners will gain a strong understanding of how asset and liability management helps optimise a financial institution's portfolios and supports organisational success.

## Learning Objectives

### Participants will be able to:

- » Define how bank treasury management is critical to achieving the bank's objectives.
- » Discuss the implications and optimisation of a bank's capital structure.
- » Examine the bank's fund transfer pricing system and its impact on the bank's performance.
- » Identify risks to the balance sheet caused by stakeholder behaviour.
- » Discuss going concern and contingency liquidity plans.
- » Calculate and apply standard and key market risk metrics.
- » Identify the treatment of interest rate risk on the banking book under the Pillar 2 supervisory review and evaluation process.
- » Identify and manage interest and currency rate risk on the balance sheet.
- » Evaluate the management of capital.

## Who Should Attend?

- » Asset and liability managers
- » Treasury staff
- » Business analysts
- » Investment banking analysts
- » Financial analysts
- » Trading analysts
- » Capital market analysts
- » Portfolio analysts
- » Risk analysts
- » Risk managers
- » Senior managers
- » Regulators

# Course Detail

MODULE	TOPICS
1 <b>Introduction</b>	<ul style="list-style-type: none"><li>» What is asset and liability management?</li></ul>
2 <b>Liability Management</b>	<ul style="list-style-type: none"><li>» Objectives of liability management</li><li>» Types of funding and funding mix</li><li>» Refinancing needs and funding plans</li></ul>
3 <b>Fund Transfer Pricing (FTP)</b>	<ul style="list-style-type: none"><li>» The importance of FTP as a tool in bank risk management</li><li>» Defining a base curve</li><li>» Liquidity premium</li><li>» Pricing in optionality</li><li>» Risk-based asset pricing</li></ul>
4 <b>Liquidity Risk</b>	<ul style="list-style-type: none"><li>» Maturity transformation and liquidity gaps</li><li>» Loan to deposit ratio</li><li>» Deposit dynamics: stickiness, betas, and retention rates</li><li>» Asset dynamics: prepayment and extension risks</li><li>» Regulatory measures of liquidity: Liquidity coverage ratio (LCR) and net stable unding ratio (NSFR)</li><li>» Managing regulatory liquidity</li></ul>
5 <b>Contingency Liquidity Risk</b>	<ul style="list-style-type: none"><li>» Counterbalancing capacity</li><li>» Liquidity buffer management</li><li>» Contingency funding plans</li><li>» Funding mix and available opportunities for balance sheet growth</li></ul>
6 <b>Market Risk</b>	<ul style="list-style-type: none"><li>» Measures of market risk sensitivity: linear vs. non-linear risk</li><li>» Measures of unexpected loss in market risk: value at risk, expected shortfall</li><li>» Capital requirements for trading book market risk</li></ul>
7 <b>Interest Rate Risk in the Banking Book (IRRBB)</b>	<ul style="list-style-type: none"><li>» Identifying interest rate risk: gap analysis</li><li>» Measuring interest rate risk: earnings and value approaches</li><li>» Quantifying interest rate risk on the banking book</li><li>» Basel Pillar 2 IRRBB treatment</li></ul>

MODULE	TOPICS
8 <b>Hedging Interest Rate Risk Using Derivatives</b>	» Using derivative products in hedging
	» Cash flows on IRS and how they mitigate risk
	» Counterparty credit risk: managing the credit risk in derivative products
9 <b>Foreign Exchange (FX) Risk Management</b>	» Identifying currency mismatches
	» Net open positions
	» Funding in foreign currency: using FX swaps and currency swaps to manage currency risk
10 <b>Capital Risk Management</b>	» Economic and regulatory capital
	» Basel 2 and 3: how regulators seek to control risk levels
	» Understanding risk-weighted assets and the calculation of capital ratios
	» Recovery and resolution planning

## Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Students should check for up-to-date information directly from the NASBA website: [www.nasbaregistry.org](http://www.nasbaregistry.org).

# Why Moody's Analytics?

## Current and Consultative

We work with you to understand the distinct needs of your organization to design, implement and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation and enhancement.

## Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales, fintech, negotiation and leadership development.

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### GROUP DISCOUNTS

Special rates may be available for multiple course or group bookings. Please contact us for details.

### FEES AND CANCELLATIONS

The fee listed is per participant. Course fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the course. Registrations may be canceled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another course, but fees will not be refunded. We reserve the right to cancel or reschedule courses at any time. For further information on our refund and complaint policy, please contact us.

## Contact Us

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