



# Understanding Bank A.L.M.

London : 12th - 14th March 2012

London : 12th - 14th September 2012

(September 2011: fully booked)

## Course Description

This three-day course is intended for staff in treasury, finance and regulation who wish to deepen their understanding of balance sheet asset and liability management. It also addresses the changing regulatory and market environment. The course is a desirable pre-requisite for attending ALMA's advanced "Managing the Group Balance Sheet" course.

**This course focuses on core ALM topics:**

- **LIQUIDITY**
- **INTEREST RISK**
- **CAPITAL ADEQUACY**

It makes extensive use of exercises and case studies. Numbers will be limited in order to encourage active participation and discussion.

Pre-course reading will be distributed three weeks in advance of the course and will include some of the most recent literature on the subject. Participants will be expected to be familiar with basic bank financial statements.

The course dinner on the evening of the second day provides an opportunity for course participants to network with other ALMA members. There will also be an opportunity to become more involved with the activities of the Association as members of the Committee will be present.



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## Course Content

### Pre-Course Work

- Analysis of Bank Profitability, Financial Structure and Product-market profile

### Overview of Banking

**0.50 Days**

- Review of Pre-course Work
- ALM : Introduction
  - role, objectives, functions
  - current drivers of change
- Risk Management Framework
  - ALM/treasury risks
  - regulatory framework
  - bank ratings criteria
  - ongoing implications of regulatory change

### ALM : Liquidity Management

**0.50 Days**

- Maturity mismatch, volatility and liquidity accounting, prudential and economic/behavioural measures;
- Liquidity management - an extreme sport
- Liquidity spectrum
- Liquidity gap: static, dynamic, model
- Regulation: FSA + BIS regimes
- Managing liquidity risk stress testing, systemic risk
- Joint asset-liability control, mix of wholesale and retail



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## Course Content (continued)

### **ALM : Interest Risk Management**

**0.75 Days**

- Structural risk and market risk
- Measures: static gap, dynamic gap, duration, VAR
- Derivatives to manage risk
- Non interest bearing balances, administered rates, margin compression
- Regulation
- Balance sheet projection, simulation and sensitivity analysis

### **ALM : Capital Adequacy Management**

**0.75 Days**

- Risk and capital accounting, prudential and economic measures
- Basel III
- Links with rating and shareholder value
- Principal loss absorbing instruments
- Provisioning; procyclicality
- Securitisation: where to now?

### **Product Design and Support**

**0.50 Days**

- Use of derivatives in product design and support
- Structured liability, asset and risk management retail products
- Cases to exemplify e.g. fixed rate mortgage, index tracker bond



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## Course Tutor

**Jim Byrne** is a Director of **FSMD Ltd**, a financial training company which specialises in tailored courses for banks and corporates in the areas of treasury, corporate finance, credit and financial modelling.

Jim's personal specialisms are corporate and bank treasury management, ALM and international banking. He spent his early career in engineering and production management in a variety of industries. Then, after completing a doctorate in international business at Manchester Business School he became Director of the School's International Banking Centre for six years before leaving to help set up FSMD.

He has been a Chief Examiner for The Association of Corporate Treasurers since its inception and is a non-executive director of a midlands Housing Association where he chairs the Financial Services Committee.

In addition to Jim, bankers working in each of the core topic areas provide a practitioner view.

Tutors on the September 2010 course were **Paul Savage - RBS**, **Gavin Jones - Lloyds Banking Group** and **Sarah Crouch - Barclays**.

## Booking Details

Tick course: **12-14 March**  **12-14 September**

**To book a place**, fill in the form below and fax or mail to FSMD at:

Lowry House, 12 Kennerley's Lane, Wilmslow, Cheshire SK9 5EQ

**For enquiries**, contact Caroline Dunn at FSMD

**Tel:** 01625 530050 **Fax:** 01625 523937 **Email:** caroline.dunn@fsmc.co.uk

**Course fee** (non-residential) for UK ALMA members: £1099 + VAT\* ; non-members £1900 + VAT\*

Name \_\_\_\_\_ Job title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_ Tel \_\_\_\_\_ Fax \_\_\_\_\_

Name of Authorising Manager \_\_\_\_\_

I enclose payment by cheque  or Please invoice me/my company

I enclose a cheque for £ \_\_\_\_\_ made payable to FSMD Limited

Signature \_\_\_\_\_ Date \_\_\_\_\_

- **Cancellations received 30 days prior to course commencement will be eligible for a refund less administration charge of £50.**
- **After this time no refund can be made although a substitute delegate is acceptable.**
- **Postponement to a later event is possible until 20 days prior to the course provided a third party replacement can be found, eg from the waiting list, subject to an admin fee of £100. If no replacement can be found, then the fee is forfeit.**
- **FSMD reserves the right to cancel any of its courses. Either full refunds will be given OR a reserved place on the next available course.**