

The logo for ALMA (Asset and Liability Management Association) consists of the letters "ALMA" in a white, serif font, centered within a solid blue rectangular box.

ASSET AND LIABILITY
MANAGEMENT ASSOCIATION

UNDERSTANDING BANK A.L.M.

London : 16th - 18th September 2008

Course Description

This three-day course is intended for staff in treasury and balance sheet management, support staff and regulators who wish to deepen their understanding of asset and liability management. It is a necessary pre-requisite for attending ALMA's advanced "Group Balance Sheet Management" course.

It focuses on core ALM topics:

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

The course 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 to ensure that participants understand how to read and interpret basic bank financial accounts.

The course dinner on the evening of Wednesday 17th September provides an opportunity for course participants to meet ALMA members.

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
- Risk Management Framework
 - ALM/treasury risks
 - regulatory framework
 - bank rating criteria
 - introduction to VAR (value at risk)
 - implications of credit & liquidity turmoil

ALM : Liquidity Management

0.50 Days

- Maturity mismatch, volatility and liquidity - accounting, prudential and economic/behavioural measures;
- Contractual & behavioural maturities
- Liquidity spectrum
- Liquidity gap: static, dynamic, model
- Managing liquidity risk - on-balance-sheet, off-balance-sheet,
- Joint asset-liability control, mix of wholesale and retail;
- Regulation: new initiatives

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
- Regulation
- Balance sheet projection, simulation and sensitivity analysis

ALM : Capital Adequacy Management

0.75 Days

- Risk and capital - accounting, prudential and economic measures;
- Basel 2: Pillars 1, 2, 3 ; ICAAP
- Links with rating and shareholder value
- Funding subordinated debt (and preferred equity);
- Provisioning;
- Securitisation: new developments

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

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 and credit.

Jim's personal specialisms are treasury management 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 from 1980 to 1986, when he left to help set up FSMD.

He has worked as an education advisor to The Association of Corporate Treasurers since its inception and is Chief Examiner for Treasury Management.

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

Booking Details

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

Emerson Court, Alderley Road, Wilmslow, Cheshire SK9 1NX

For enquiries, contact Caroline Dunn at FSMD

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

Course fee (non-residential) for UK ALMA members: £985 + VAT* ; non-members £1700 + VAT*

(* including lunch each day and course dinner.)



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 _____

To pay by BACS:

Bank: National Westminster Bank, FSMD Ltd.
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