



## Course : Asset and Liability Management in Banks

|                     |            |                   |                 |
|---------------------|------------|-------------------|-----------------|
| <b>City :</b>       | London     | <b>Hotel :</b>    | The Ritz London |
| <b>Start Date :</b> | 2025-10-27 | <b>End Date :</b> | 2025-10-31      |
| <b>Period :</b>     | 1 Week     | <b>Price :</b>    | 5950 \$         |

## Course Overview

In today's dynamic and volatile financial environment, Asset and Liability Management (ALM) plays a pivotal role in maintaining stability, optimizing profitability, and ensuring regulatory compliance within the banking sector. These specialized training courses equip banking professionals with the expertise to balance assets and liabilities, strengthen liquidity positions, and mitigate key financial risks effectively. Through a structured learning approach, participants gain both theoretical knowledge and practical insights into ALM principles, regulatory frameworks, liquidity management, interest rate risk control, and capital planning. The courses incorporate real-world case studies, allowing professionals to translate ALM concepts into actionable strategies within their institutions.

A key focus of the program is to help banks avoid exposures similar to those that led to the collapse of institutions such as SVB, by analyzing funding stability, assessing asset acquisition strategies, and developing robust risk management practices.

### Key Highlights of the ALM Training Courses:

- Core ALM principles designed for the banking industry, with emphasis on regulatory requirements, risk management, and balance sheet resilience.
- Strategies to address interest rate, liquidity, and credit risks to ensure sustainable financial performance.
- Techniques for effective asset-liability alignment to maximize profitability and support long-term stability.
- Advanced liquidity and capital management approaches that align with global banking standards.
- Application of ALM concepts through real-world banking case studies, enhancing analytical and decision-making skills.
- These courses provide banking professionals with essential tools to navigate today's evolving financial landscape, ensuring they can contribute effectively to their institution's stability, growth, and regulatory compliance.

## Course Objectives

- Describe the role of the Asset Liability Management function within a bank
- Examine the regulations governing Asset Liability Management issues
- Develop strategies to manage Asset Liability Management risks

- Understand how the Asset Liability Management function can contribute to maximising the bank's return on equity while operating within the bank's risk appetite

## Target Audience

**The course is designed to provide an overview of the asset and liability management (ALM) function. This function is important for a number of roles to understand including:**

- Relationship managers covering financial institutions
- Compliance staff
- Regulators
- Internal auditors
- Market and credit risk professionals
- Middle office staff
- Technology staff responsible for related systems

## Methodology

The program will be delivered through a combination of interactive lectures, group discussions, real-life case studies, and practical exercises. Participants will work with financial models, regulatory frameworks, and analytical tools to deepen their understanding of Asset and Liability Management (ALM). Emphasis will be placed on linking regulatory requirements (Basel III & IV) to strategic decision-making, profitability, and long-term stability. Peer-to-peer experience sharing will also be encouraged to address real-world challenges.

## Course Outline

### Day 1: The Evolving Role of Asset and Liability Management (ALM)

- Defining the role and strategic importance of ALM in modern banking.
- Global Financial Crisis: causes, resolution, and lessons learned.
- Impact of Basel III on capital adequacy, risk constraint ratios, and leverage ratios.

- Standardized methodologies for credit risk: adjustments for collateral and gearing.
- Linking ALM optimization to Return on Equity (ROE) and Basel III implications.

## Day 2: Asset and Liability Gap Analysis

- Frameworks for addressing maturity transformation challenges in banking portfolios.
- Behavioral modeling techniques for prepayment and redemption adjustments.
- Managing non-traded market risks: IRRBB vs. CSRBB and their measurement.
- Liquidity risk measures under Basel III: LCR, NSFR, and their strategic implications.
- Beyond Pillar I: ICAAP, ILAAP, and RRP to strengthen financial stability.

## Day 3: Evolution of FTP and Non-Wholesale Portfolio Management

- Fundamentals of Funds Transfer Pricing (FTP) and its role in optimizing portfolios.
- Evolution of FTP methodologies and deriving accurate FTP curves.
- Behavioralizing portfolios through FTP to align incentives and business behavior.
- Optimizing tools and products through pricing strategies, regulatory integration, and FTP trends.
- Governance and ownership of FTP, including effective reporting and alignment strategies.

## Day 4: Tools for Managing FX and Interest Rate Risk

- Applying cash FX instruments for risk mitigation.
- Types, pricing, and valuation of Interest Rate Swaps (IRS).
- Cross Currency Swaps (XCCY): applications in managing FX and IR risks.
- Leveraging FX swaps for optimized funding solutions.
- Managing long-term FX risk with XCCY swaps: pricing and valuation framework

## Day 5: Structural Hedging and Future Challenges for ALM

- Frameworks for establishing governance, defining scope, and ensuring execution.
- Managing the costs of unwinding structural hedges.
- Preparing for future ALM challenges: TLAC/MREL requirements and Basel IV compliance.
- Strategic responses to emerging regulatory and market dynamics.
- Wrap-up discussion: best practices and lessons learned.

## Certificates

On successful completion of this training course, HighPoint Certificate will be awarded to the delegates. Continuing Professional Education credits (CPE): In accordance with the standards of the National Registry of CPE Sponsors, one CPE credit is granted per 50 minutes of attendance.