



ALMA

ASSET & LIABILITY MANAGEMENT ASSOCIATION

EDUCATION PATHWAY

August 2023

ALMA AND OUR EDUCATION PATHWAY

1. **ALMA – An Introduction**
2. **Career Pathway**
3. **ALMA's Courses**



ALMA'S PURPOSE

To provide and promote the highest standard of education and professional excellence, share best practice and be a leading advocate within asset and liability management.

ALMA delivers on its purpose through the provision of education courses, Masterclasses, networking opportunities, conferences and promoting professional excellence.

ALMA has over 100 member organisations across the UK and worldwide.

ALMA'S CORE FOCUS AREAS



WHO ARE ALMA'S COURSES AIMED AT?

ALMA

ALMA is about balance sheet and Treasury management and how that can impact stakeholders within the wider bank including:

- Business lines (retail, corporate, global banking and global markets)
- Functions such as internal audit, reg reporting, wider finance, planning, stress testing, recovery and resolution and strategy
- Those who sit on senior governance committees
- ALMA offers both open courses and a certification to cater for these needs as outlined here:

Foundations of Bank ALM, IRRBB and Liquidity & Funding open Courses

These courses are aimed at those who are new to Treasury or those who need a refresher. They are also aimed at:

- Those who need to understand Treasury when they work in a business line
- Those who need to understand Treasury because they work in a function, e.g. finance, internal audit
- Those who need to understand Treasury because of management and governance implications, those who sit on ALCOs or other related management and Board committees

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CertBALM®

This Level 6, degree level qualification is aimed at those who have a grounded baseline knowledge if working outside of Treasury or relevant experience if working in Treasury related areas.

ALMA EDUCATION PATHWAY

ALMA Pathway				
Qualification / Course	Foundations of Bank ALM including Climate Change	IRRBB	Liquidity and Funding	CertBALM®
Period of study	3.5 days inclusive of Climate Change Half day standalone for Climate Change	2 days	2 days	9 months
Competency Level	Aimed at those new to Treasury, those who need a refresher or those who need to understand Treasury when they work in a business line			Degree Level Qualification. Aimed at those with relevant experience working in Treasury or directly related areas
Assessment Methods	No assessment. Certificate of completion awarded at end of course			Two online exams (3 hours each) plus 7,500 word Case Study

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EDUCATION PATHWAY

Appendix

Full Details of all the ALMA Courses

FOUNDATIONS OF BANK ALM

Who is it for?

The course is ideally suited to people from Treasury, ALM, Audit, Risk, Finance, Planning, Strategy, IT and other related teams, who wish to broaden their understanding of ALM concepts and grasp the “bigger picture”. The course also forms the perfect springboard for those wishing to go on to take the Certificate in Bank ALM (CertBALM®) qualification.

Content

Banking and the role of Treasury	What do banks do?	Why are banks special?	Regulatory policy framework	Bank balance sheet and income statement	Balance sheet risks and the role of Treasury
Liquidity and Funding Risk	Definition	Cash flow mismatch	Measurement under BAU and stress	Managing liquidity and funding	Regulatory requirements – LCR, NSFR, ILAAP and L-SREP
Capital	The nature and purpose of capital	Different types of capital	Risk-based regulatory capital requirements: Pillar 1, Pillar 2 & ICAAP, Capital Buffers	Leverage Ratio	MREL

FOUNDATIONS OF BANK ALM

Content (continued)

IRRBB	Definition	Sources of risk – fixed, floating and administered rate products; non-maturing balances and free funds	Types of risk – Yield curve risks, customer optionality	Risk management – repricing gaps, derivatives	Regulation
Climate Change – what Treasury Needs to Know	Climate risks for banks and building societies	“Green” financial markets and central bank landscapes	Regulatory landscapes	Challenges and opportunities in capital, funding and HQLA management	Climate scenario analysis – meeting regulatory expectations and steering the business

“This was a great course and I would highly recommend it. For someone new to the industry it was very useful. It is set at the right level for most to understand. Coupling the theory with the practitioners really brought the course to life.”

CLIMATE CHANGE: WHAT TREASURY NEEDS TO KNOW

Who is it for?

The course will be of interest to those in ALM, Treasury who are involved in capital, liquidity, funding or balance sheet planning & management, or those in business lines whose climate related activities are touched by balance sheet implications. It will also be of interest to those in Finance, Risk, Audit and other roles which support ALM or need to understand the balance sheet impacts of the transition to a low carbon economy.

Content

- Climate risks for banks and building societies including greenwashing
- “Green” financial markets and central bank landscape
- Regulatory landscape
- Challenges and opportunities in capital, funding and HQLA management
- Climate scenario analysis – meeting regulatory expectations and steering the business

INTEREST RATE RISK IN THE BANKING BOOK

Who is it for?

The course is aimed both at those new to a role within IRRBB management itself and at those working in other functions who seek a general overview of IRRBB. It may be of particular interest to those working in other areas of Treasury management, finance, planning, audit and IT as well as to more senior colleagues with a governance responsibility for overall balance sheet management.

Content

Day 1 Day 1 will assume no prior knowledge	Background Concepts <ul style="list-style-type: none">• The nature of a bank’s balance sheet• Net Interest Margin• The yield curve• Discounted Cash Flow• Key differences between accrual and MTM accounting• Distinction between the Banking and the Trading Book	IRRBB Measurement and Management <ul style="list-style-type: none">• The interest rate gap and the value measures (EV, EVE and VaR)• Income sensitivity measures• Both approaches contrasted – pros and cons of each• Managing and hedging IRRBB in practice• The importance of behavioural assumptions• The role of the Treasury function
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INTEREST RATE RISK IN THE BANKING BOOK

Content

<p>Day 2</p> <p>Day 2 will build on the basic principles covered on Day 1 but will cover more advanced topics</p>	<ul style="list-style-type: none">• Treatment of Equity• Treatment of Non Maturing Deposits• Structural Hedging• Re-margining and assumption risk• Non-performing loans• Pipeline and Pre-payment Risk• Credit Spread Risk in the Banking Book• What constitutes good governance of IRRBB• The Final Basel Standards issued in April 2016• The EBA Guidelines issued in July 2018 and subsequent modifications• UK PRA rules and guidance issued in December 2021
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“It was a really good course with plenty of interesting content. Instructors were very knowledgeable and interactive”

LIQUIDITY AND FUNDING

Who is it for?

The course is aimed both at those new to a role in liquidity and funding management itself and those working in other functions who seek a general overview of liquidity and funding topics. It may be of interest to those working in other areas of Treasury management, finance, audit and IT as well as colleagues with a governance responsibility for these areas.

Content

<p>Day 1 Key Concepts</p>	<p>Background Concepts</p> <ul style="list-style-type: none">• Liquidity and funding aspects of the balance sheet• Traditional liquidity and funding measures• Regulatory requirements relating to liquidity and funding including Pillar 2 topics• Managing the Liquidity Coverage Ratio, Net Stable Funding Ratio and other measures• Aspects of a typical liquidity governance framework• Practical discussions involving current industry practitioners outlining different business models and how they manage liquidity and funding
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LIQUIDITY AND FUNDING

Content

<p>Day 2</p> <p>Day 2 will introduce the ILAAP as well as covering a number of topics of current industry interest in more detail. The format will continue to be interactive sessions. Additional focus areas include:</p>	<ul style="list-style-type: none">• Contents and process of an Internal Liquidity Adequacy Assessment Process (ILAAP) plus areas of current industry focus• Liquidity stress testing and the link to risk appetite• Pillar 2 for liquidity• Industry practitioners will again bring the discussions to life with their experiences across the range of liquidity and funding topics covered on the course
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“A great introduction to Liquidity and Funding; the tutor was knowledgeable and very interactive and the course size was perfect. This will really help me in my treasury career and help me to implement in my day job. Thank you.”

CERTBALM®

Who is it for?

Written by ALMA and accredited by the Association of Corporate Treasurers, there are no entry qualification requirements. However, the CertBALM® is aimed at people working in bank and building society treasury, balance sheet management, asset and liability management, risk and finance departments. A basic understanding of bank financial accounts and statistical concepts such as time value of money, probability, correlation, standard deviation, weighted average cost of capital is encouraged. Candidates should be reasonably numerate. For example, you will need to be able to set up, rearrange and solve straightforward equations. All teaching is in English and you must be sufficiently fluent in English to be able to benefit from your education.

What will you learn?

- To describe the fundamental concepts and risks of asset and liability management across all the major categories and understand how the modules inter connect.
- To quantify and understand the analytical and quantitative methods for measuring and explaining ALM risk.
- To recommend and advise – to set out options to solve issues that arise in bank and building society treasury management and to explain those options' relative merits from the viewpoint of, e.g. practicality, materiality, effectiveness, culture and risk appetite.
- To communicate and apply – the ability to describe and explain ALM using practical examples.

CERTBALM[®]

How is CertBALM[®] structured?

- Unit 1: An Introduction to Banking, Treasury and Asset & Liability Management (ALM)
- Unit 2: Capital Risk Management
- Unit 3: Liquidity and Funding Risk
- Unit 4: Market Risk in the Banking Book
- Unit 5: Integrated Asset and Liability Management

How do you study?

Flexible online learning via the ACT Learning Management System. Study on the go - anywhere, anytime.

Study Commitment

- Nine months to complete; 200 study hours
- One online progress test following the completion of Unit 1
- A four day residential course, to cover exam Units 2/3 and exam Units 4/5 (either face-to-face or online)
- Two short/long answer exams to test Units 2/3 and Units 4/5 (3 hours each)
- Final Case Study/Assignment to test application of learning

CERTBALM®

“From first taking up the CertBALM® course only nine months into my Treasury role, today I am confident I have been equipped with the most relevant certificate in Banking ALM that will allow me to build a strong career in the field and hopefully one day, with experience, become a well-regarded industry practitioner. Very special thanks to all the extraordinary instructors, mentors and programme organisers who made it happen. I wish future students all the best - hopefully they will enjoy the experience as much as I did”.