



ALMA
ASSET & LIABILITY MANAGEMENT ASSOCIATION

FOUNDATIONS

Foundations of Bank Asset &
Liability Management

COURSE OUTLINE

Updated December 2023



More than ever, Treasury and ALM have vital roles in steering firms' balance sheets through interest-rate volatility, withdrawal of central bank liquidity and the response to climate change.

This course will introduce the key concepts of capital, liquidity and interest-rate risk management, and their link to financial performance. We also consider climate-related risks and specifically what treasury practitioners need to know to pro-actively support their firms' climate transition and meet fast-evolving regulatory and ESG investor expectations.

Who should attend?

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.

Course Outline

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 & 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

Interest-rate risk in the Banking Book (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 landscape
- Regulatory landscape
- Challenges and opportunities in capital, funding and HQLA management
- Climate scenario analysis – meeting regulatory expectations and steering the business

How do you study?

The course is classroom-based in London. Class size is limited to facilitate active discussion and group exercises, as well as networking.

As well as benefiting from an expert course leader, practitioners from ALMA member banks will join the course to discuss topical issues.

A course dinner will be held on the evening of Day 3, at which students can learn more about the work of ALMA and network with Board members, presenters and practitioners.



Course Leader – Patricia White

Patricia is a senior banking risk professional who now leverages her experience to design and deliver training for practitioners. She works closely with ALMA and was, for many years, a member of the Committee. She enjoyed supporting the development of the CertBALM® qualification and tutored the Capital Management Unit.

From 2009 - 2015 she headed the global risk team responsible for liquidity and IRRBB at Standard Chartered Bank. Prior to that she spent eight years at Santander UK, where she steered interest-rate and liquidity risks through the 2007-09 Crisis and the rapid integration of the Alliance & Leicester and Bradford & Bingley balance sheets. She began her career at the Bank of England, firstly as an economist and later working on the development of prudential policy.

Patricia holds MA and MSc degrees in Economics and Econometrics and the Certificate in Sustainability and Climate Risk from GARP.

Course Fees

Member Fees: £2,035 plus VAT (***including printed course material which you will receive on the first day of the course***)

Member Fees: £1,975 plus VAT (***course material can be downloaded in advance from the ALMA website but no printed material will be provided***)

Non-Member Fees: £2,525 plus VAT (***including printed course material which you will receive on the first day of the course***)

Non-Member Fees: £2,465 plus VAT (***course material can be downloaded in advance from the ALMA website but no printed material will be provided***)

Venue

Etc. Venues, Bonhill House, 1-3 Bonhill St, London EC2A 4BX

Booking / Enquiries

Please email to info@ukalma.org.uk or visit the UK ALMA website, www.ukalma.org.uk