

BANK ASSET & LIABILITY MANAGEMENT SIMULATION

4th – 6th May 2015, KUALA LUMPUR

Key Highlights:

- Understand and explain the asset and liability (ALM) processes required in a bank
- Recognise how ALM processes effect day-to-day decision making in a bank
- Better identify and analyse a bank's exposure to key risk factors – Liquidity, Market, Interest rate, Currency and Credit Risk Management
- Understand performance measurement and value creation in a banking model which contains different business activities
- Function more effectively within their own bank directly or indirectly in the ALM process

* Participants are provided with PCs, equipped with the GuardB@nk ALM simulation software, for the practical exercises.

Expert Course Director

Douglas Bongartz-Renaud

Former Global Head of Currency Derivatives and Global Head of Rate Derivatives and Structured Products, ABN AMRO

SIDC CPE - accredited: 10 CPE Points



Introduction

The course covers key aspects of bank asset and liability management (ALM). Recent regulatory reforms, including in particular the 'New Global Liquidity Standard' added to global banking requirements in Basel III will be discussed and analysed. Other key aspects of ALM including balance sheet and capital structure & management will be covered. The implications of Basel III for bank strategic and business growth planning will be a point of focus. The course gives participants hands on experience in making ALM decisions and then analysing the results using GuardB@nk ALM simulator.

The course is divided into conceptual and practical concept implementation sessions. The participants will be divided into teams to make strategic decisions and manage a bank together on PCs and the GuardB@nk simulation software provided. These teams will set a bank strategy and then witness the results from a simulation representing three months per session. The results are then reported, compared and analysed.

Pre-Workshop Preparation

Participants will receive a user manual, an initial set of financial statements and an industry report to prepare them for the practical part of the program. These pre-course preparation documents are sent via email at least one week prior to the commencement of the training programme.

Conceptual and Simulation parts of the course include:

- **Bank balance sheet construction:** Selection of assets & liabilities and assumptions concerning balance sheet components change / allocation over time (along with management of key balance sheet ratios)
- **Interest rate risk management of the balance sheet:** Based on the interest rate re-pricing gaps from the choices made in the structuring of the balance sheet. Management and optimisation of the bank net interest income stream is one of the primary goals of the ALM simulation programme (as in the 'real world' for each bank's management and ALCO)
- **Liquidity risk management,** based on the construction of the balance sheet by the participants: Primarily the choice of funding instruments
- **Hedging decision making and execution** – Particularly net interest rate margin exposure

Learning Objectives

Key features of the Conceptual part of the program

- The ALM process in banking
- Value creation and bank profitability
- Major risks in banking
- Bank business models and balance sheet structures
- Macroeconomic indicators
- Liquidity risk management
- Interest rate risk management
- Capital management
- Regulatory reform and the impact of Basel III

Key features of the Practical Simulation part of the program

- Commercial and corporate banking, retail banking, private banking, investment banking activities

The following specific products are included in the bank simulation program:

- Interbank loans and deposits
- Commercial loans – involving different industries with separate risk profiles
- Retail loans
- Distribution channel management
- Savings deposits and current accounts
- Certificates of deposit
- Medium term notes and bonds
- Securities (T-Bills and T-Bonds)
- Capital account management (Tier 1 and Tier 2) and off-balance sheet items and instruments

The following quarterly results (output) are produced by the simulation program:

- Forecasts covering cash flow gaps as well as interest rate re-pricing gaps
- Financial statements, consisting of:
 - o Balance sheet
 - o Income statement
 - o Notes to the financial statements
 - o Industry report
 - o Market reports

Course Agenda

Day one

- Programme agenda and overview
 - Introduction: Financial services landscape
 - Bank capital requirements: Basel III
 - Bank profitability and value creation
 - Introduction to the simulation program
 - Strategic plan and introduction of worksheets
 - Quarter one bank simulation
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Day two

- Review of Day one simulation
 - The asset and liability management process
 - Bank financial risk management
 - Funds transfer pricing
 - Balance sheet structures
 - Traditional liquidity risk management
 - Corporate objectives and introduction to quarter two simulation
 - Feedback on results from quarter one
 - Quarter two & three bank simulations
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Day three

- Review of Day two simulations
- Basel III: Liquidity and leverage
- Interest rate risk measurement
- Interest rate risk management
- Introduction to quarter three and feedback results quarter two
- Quarter four & five bank simulation
- Results quarter four & five and preparation final review
- Final review and simulation conclusions

GUARDB@NK ALM SIMULATION TRAINING TOOL

The software provided has been developed over the past 10 years by SimArch and is very flexible in terms of designing and managing different types of bank balance sheets with a wide variety of instruments to select in composing the asset and liability sides of the balance sheet, in addition to instruments for hedging balance sheet exposures. The software is used both in this type of training programme in Europe, the Middle East and South Africa and is designed to perform scenario simulations on the balance sheet of a bank based on market information and scenarios applied to the simulation exercise. SimArch is based in Brussels and has been a service provider to ABN AMRO, Royal Bank of Scotland, ABSA Bank, Standard Bank, KBC and other banks for the past 10+ years.

Expert Course Director

Douglas Bongartz-Renaud has 36 years' experience in financial markets, risk management, training and consulting. He retired from ABN AMRO Bank in 2011 and moved from Amsterdam to Asia, where he continues working with banks in the areas of Basel framework implementation, ALM, market and counterparty credit risk management, financial products and treasury trading development and training. Douglas designs and delivers detailed training workshops for clients, risk management conferences and trade associations such as ISDA, PRMIA, GARP and the ACI. He has trained on Basel 3, Funds Transfer Pricing, Liquidity Risk Management, Strategic Balance Sheet Management, Credit Value Adjustment and Counterparty Credit Risk, and Currency Options Trading and Structuring. In his last position, Douglas was a principle in ABN AMRO's Risk Advisory Services business and established the market risk and treasury advisory practice. He and his team worked with over thirty client banks in Asia and MENA. Prior to this he was involved in risk management to structure and accelerate the process of complex derivative products development, validation and introduction. He was extensively involved with ABN AMRO's preparation and implementation of the Basel capital framework, working on Basel 3 and on CVA pricing, management and capital planning in 2011. Previously, Douglas held the positions of Global Head of Currency Derivatives and Global Head of Rate Derivatives and Structured Products at ABN AMRO and was responsible for building the Bank's front-office financial products development group. Douglas has provided extensive ALM consulting, training and implementation work in countries such as Egypt, Saudi Arabia, Indonesia, Malaysia and Brunei. He is frequently invited to speak at conferences offered by Islamic Financial Market (IIFM), the international Islamic financial services industry's standard setting organization.

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BOOKING DETAILS

I am booking:	Pricing
<input type="checkbox"/> 1 delegate	MYR 10,650
<input type="checkbox"/> 2 delegates	MYR 18,105
<input type="checkbox"/> 3 delegates	MYR 25,560

Early bird offer: registrations received on or before **6th April 2015** shall attract a 2.5% discount. No discounts shall be given to registrations received after this cut-off.

Please note: A late booking fee of MYR150 will be imposed on registration received within 14 days of the course start date.

Fees include training materials, refreshments and lunch. Accommodation is not included.

DELEGATE DETAILS

Name	Job Title	Email address	Telephone
1 _____ / _____	_____ / _____	_____ / _____	_____ / _____
2 _____ / _____	_____ / _____	_____ / _____	_____ / _____
3 _____ / _____	_____ / _____	_____ / _____	_____ / _____
4 _____ / _____	_____ / _____	_____ / _____	_____ / _____
5 _____ / _____	_____ / _____	_____ / _____	_____ / _____

WHO TO INVOICE AND CONTACT?

Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

Contact person for invoicing: _____ Job Title: _____

Email: _____ Tel: _____ Fax: _____

Contact person to send administration details: _____

Job Title: _____ Email: _____ Tel: _____

Payment can be made by cheque or bank transfer. A notification will be sent to you once payment has been received.

I wish to pay by: Cheque/bankers draft Telegraphic transfer Credit Card

Please note all telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

Payment made by foreign cheque will be charged additional bank fees of 1% of the invoice amount.

APPROVING MANAGER

To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

Name: _____ Job Title: _____

Organization name: _____ Email: _____ Tel: _____

Authorizing signature _____ (mandatory)

Yes, I have read and understood the booking and cancellation policy below.

SEND US YOUR REGISTRATION!

By email: enquiry@REDmoneytraining.com By fax: +603 2162 7810

You may also book online at <http://www.REDmoneytraining.com>

Please call us on: +603 2162 7800 or +603 2162 7802 if you require assistance.

Our address is: **REDmoney, Suite 22-06, 22nd Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur**

Booking, Payment and Cancellation Policy – important, please read carefully

By completing, signing and sending us this registration form you are confirming delegate places on the course. You are also confirming your understanding of our Booking, Payment and Cancellation Policy.

Cancellation: If delegates cannot attend the course replacement participants are always welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different course at least 21 days before the course start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 21 days of the course start date, or who do not attend, are liable to pay the full course fee and no refunds will be given. Instead fees will be converted to a REDmoney Training course voucher equivalent to the original fee, less a 15% administration charge. This voucher is transferable within your organization and must be redeemed within one year of issue or become void. If a course is postponed for whatever reason delegate bookings will be automatically transferred to the new course date. Delegates who wish to transfer to a different course will be subject to the same terms as above and charged the difference in course fees. No refunds or course vouchers will be issued for a no-show.

Payment Terms: All course fees are to be received before the course start date. REDmoney shall receive the full course fee with no deductions of any description. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

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