

LIQUIDITY RISK MANAGEMENT (INCLUDING BASEL-III LIQUIDITY STANDARDS) MASTERCLASS



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LIVE ONLINE / CLASSROOM PROGRAM



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Course Overview

Liquidity Risk is pervasive in financial markets, from simple treasury funding risks to asset and liability (ALM) liquidity (so called Market Liquidity Risk) through to derivatives pricing and hedging (so called Model or Hedging Risks). All are critically dependent on liquidity and its risks. The understanding of liquidity and its risks in its various guises is key to anyone with a role in running a financial institution. It addresses the limitations of traditional liquidity measures like the quick and current ratios and demonstrates a practical framework that can be used to assess a company's liquidity position and their ability to access sources of liquidity under stress.

Participants will engage in spreadsheet-based exercises that will give them practical experience in calculating LCR and NSFR, explore the interaction with interest rate risk in the banking book (IRRBB) requirements. They will also participate in a role-playing exercise where they practice responding to regulatory scrutiny. This masterclass will discuss strategies for liquidity analysis, stress testing, and contingency planning. This course will give an overview of the challenges of managing liquidity risk as well as recommendations to address this important risk. The workshop will be based around case studies of both liquidity stress and best practice management. Examples are drawn from both mature and emerging markets and address current market conditions as well as earlier crises.



Join your professional community.

BECOME AN EXPERT

Benefits of Attending



- Implement Liquidity Risk Management Framework
- Liquidity Governance, Forecasting and Stress Testing
- Market vs. funding liquidity risk; different types of bank and market
- Early warning signals of unacceptable risk appetite.
- The implications and challenges of NSFR and LCR.
- Understand the relationship to Funds Transfer Pricing (FTP)
- Understand the regulatory requirements for liquidity
- Liquidity Governance, Forecasting and Stress Testing

Governance Risk Diagram



Who Should Attend :

The in-house training version may be tailored to your specific industry need. This course is suitable for novice and experienced participants. It is designed robustly to give you both basic concepts and principles for novice participants as well as ample opportunity for experienced participants to amplify the principles and concepts through reflection on your own work experience.

- Asset and Liability Management Team
- Risk Management Team
- Bond credit analysts
- Bank supervisors
- FI Risk Management
- Investment Bankers
- The team involved in FTP
- Risk Strategy
- Accounting & Finance Professionals
- BASEL Implementation Team
- Treasury Team
- Heads/Senior Professionals in Risk
- Compliance Professionals
- Risk Analysis
- Fund Managers
- ICAAP and ILAAP Team
- Risk Modelling
- Supervision/Regulation
- Senior Management Team
- Credit Risk



After Attending This Course You Will Be Able To:

- Understand the factors that can change market access and the cost of funding
- Structured approach to assess liquidity risk management, ALM and funding strategy.
- Identify the limitations in using traditional measures of liquidity, like the current and quick ratios
- Identify potential alternative sources of liquidity when market access deteriorates
- Carry out Internal and External Audit of the Bank's Liquidity and Basel-III Liquidity Framework
- Support the Bank's Asset Liability Management from Liquidity Perspective
- The impact of regulatory change, specifically Basel III LCR and NSFR and derivative clearing and margining rules
- Stress outflows: types of flow – funding (deposit and wholesale), contingent, inflows
- NSFR - regulatory definitions, implementation challenges and expected impact
- Use the techniques for modelling liquidity risk within a treasury framework

AGENDA

Building a Framework for Treasury Liquidity Risk Management:

- Mismatch, duration and other approaches
- Key roles of FTP and funding/pricing curve generation
- Foreign currency liquidity management
- Internal controls for LRM
- Basel III and liquidity risk
- New stresses and rules post credit crunch

Contingent Liquidity Risk:

- The need for contingency planning
- Written contingency plans
- Crisis management plans for assets
- Crisis management plans for liabilities
- Internal and external communication

Liquidity Stress Testing:

- Why stress test liquidity?
- Empiricism vs. rocket science
- General considerations
- Current stress testing priorities
- Assumption sensitivity
- Additional considerations

Systemic Changes in Liquidity and Volatility :

- Risk capital and illiquidity
- The effect of VaR models on liquidity cycles
- Liquidity and volatility
- The perspective from implied volatility
- Implied probability distribution and tail risk

Basel-III- New prescriptions to manage liquidity risk :

- Liquidity Coverage Ratio [LCR]
- HQLAs meaning and components
- NSFR Ratio – Explanation and computation
- Liquidity risk monitoring tools
- Management of Liquidity risk through Asset Liability Management (ALM)
- Holding periods for VaR / expected shortfall

Measuring Market Risk: Liquidity-Adjusted Value-at-Risk :

- Definitions
- Using liquidity-adjusted VaR to manage risk
- Limitations of standard VaR measures to assess liquidity

Liquidity Risk in the Balance Sheet Framework :

- Metrics and measures of liquidity risk
- Liquidity gap analysis and the bank's liquidity profile
- Expected and unexpected loss analysis in the presence of illiquidity
- Liquidity-adjusted VaR (LVaR)
- Liquidity Adjusted Expected-Shortfall (LES)
- Liquidity management policy
- Regulatory requirements for liquidity management
- The use of conduits and other sheet vehicles
- Contingent liquidity using capital market instruments and other techniques



ABOUT BIZENIUS

Our Live online Training feature international thought leaders presenting insight, ideas, and advice. The sessions provide timely and strategic information about the business of learning, current trends impacting workforce development, Digital Innovation, Financial and Risk management, healthy safety, best practices for the industry, and practical information on the latest tools and technology. All our programs are interactive, flexible, and timely, our online training opportunities deliver the content you need to advance your career in a format that works for today's changing industry.

WHY CHOOSE US

- **Return on Investment (ROI)** - Delegates can transform the learning into their day to day work
- **Customized and Tailed Program** - Our programs are tailored to the needs of the client and their participants.
- **Cost Effective Program** - Quality training with competitive pricing – helping you achieve results within your budget.
- **Flexible Scheduling** - Select your own dates and timing or go with a pre-scheduled session.
- **Learn from Leaders** - All our program is conceptualized developed and delivered by the market leaders.

BECOME A MEMBER

- Members save on every course they nominate
- Post training support by our experts
- Higher return on investment
- Perfectly balance long term learning program
- Carry forward the credit amount to next year
- Use membership for in house , classroom & live online training

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- Bank of Maldives
- Banque du Caire
- Saudi Fransi Capital
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- National Bank of Angola
- NDB Bank
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- LCB Bank
- BCH Bank
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- Safwa Islamic Bank
- Bank Windhoek
- National Bank of Kenya
- Bloom Bank
- The United Bank
- Capital Bank
- Bank Audi
- QNB
- Fidelity
- DBN
- Alizz Islamic Bank
- National Bank of Malawi
- MoniPlus
- NFC Bank
- BPR
- CABS
- Steward Bank
- PRASAC
- Central bank Oman
- Alliance Bank Malaysia
- First Capital Bank
- Pride Microfinance Ltd
- LEADWAY Assurance
- MyBucks
- BNP Paribas
- Nedbank
- Ahli United Bank
- Keystone Bank
- Saib Bank
- Bank Muscat
- Afreximbank
- Raw Bank
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- Ly Hour
- SABB
- BANK ABC
- NBS Bank
- BCI
- Centenary Bank
- National Trust Bank
- National Bank of Egypt
- Rand Merchant Bank
- Capricorn Group Limited
- Egyptian Arab Land Bank
- Coronation Merchant Bank
- Arab Africa International Bank
- Safwa Islamic Bank
- United Development Bank
- Foreign Trade Bank - FTB
- Suez Canal Bank
- Lombard Odier
- Trade & Development Bank
- BANK SIMPANAN NASIONAL

Safety - Covid 19 (For Classroom Program)

Our number one priority is the safety of our delegates and colleagues, especially in the light of recent health concerns across the world. In addition to this, BIZENIUS adds a further layer of health and safety best practice standards and guidelines, that will be followed at our events wherever applicable and possible. These measures will focus around four key areas: cleaning and hygiene, communications, protect and detect and physical distancing. They're designed to provide you with confidence that at any of our event around the world, we're striving to provide the highest standards of safety, hygiene, cleanliness and quality.

CLASSROOM PROGRAM DELIVERY POST COVID 19:

- BIZENIUS would be providing a face mask for all the delegates and staff
- Sanitized Venue – We would get the meeting room sanitized on all the training days
- Thermal check of the delegates and staff before the start of the program on all the days
- Contact less provision of delivery material
- Social distancing - Limited number of delegates for classroom program

You can view our website for list of programs - [CLICK HERE](#)





3856+

Wonderful Attendees & Counting

2595+

BIZENIUS Certified Delegates

9873+

Hours of Learning and
Development Training Conducted

250+

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