



Strategic Bank Management and ALM

Development for Finance Professionals™

A Blended-Learning Program from ACF Consultants



Welcome to ACF Academy's Open Enrollment Programs

ACF Consultants have a solid reputation for delivering innovative, top-quality training for some of the largest and most demanding financial institutions in the world. ACF Consultants are global leaders in the creation of cutting-edge financial simulations and interactive eLearning for the global financial markets.

We are the first premier financial training company to offer open seminars using our uniquely blended learning techniques.

Blended learning is a fundamental principle of the ACF approach to training. Our seminars offer a fully integrated, multi-faceted learning experience which ensures that knowledge is applied in practice and retained effectively. We limit the numbers attending each program to maximise the benefit for each delegate. Passive learning is kept to a minimum, and the emphasis is on delegates achieving a true understanding of the key concepts, and how they are applied in the real world.



Blended Learning

Blended learning is at the heart of our training philosophy. A dynamic blend of highly interactive **eLearning** using **Acumen**, top quality **instructor-led training**, and realistic and exciting **simulations** creates the most effective and motivating training methodology available anywhere.

Firm foundations are laid with highly interactive eLearning and dynamic instructor-led training. Hands-on workshops and simulation are then used throughout the programs allowing delegates to put theory into immediate and realistic practice.



Instructor Led Training

Our instructor-led training is of the highest quality, and we invest heavily in research and development. Our professional written materials complement trainers with first-rate communications skills, an excellent academic background and sound markets knowledge.

Our expert instructors are skilled in the art of transferring knowledge, and we make use of a variety of creative training techniques to maintain energy and focus.

We are committed to achieving exceptional results.



Strategic Bank Management and ALM

The credit crisis, liquidity problems, securitisation, bad debts, the interbank market, bank capital, credit derivatives – all of these became headline news as banks worldwide went through their worst crisis in 80 years.

As a result of the crisis, regulators have created a new system for measuring the strength of banks' capital and liquidity – **Basel III**. This will require banks to strengthen their reserves of capital and liquidity – at a cost.

ACF's **Global Banker** simulation already features the new BIS liquidity and capital measures, allowing delegates to experience at first-hand how they work in a completely realistic environment. The results are surprising – **Basel III will potentially cut bank profitability by almost 40%**.

Never before has it been so important for bankers – at all levels and in all roles – to understand the complexities of banking in the 21st century, to be aware of how their role fits in, to comprehend the big picture, and to identify problems before they become serious.

The **Strategic Bank Management** seminar does just that. Using realistic and detailed scenarios, the seminar shows delegates how to **develop effective solutions to today's problems** and **strategies to ensure that their bank maintains profitability**.

In the **Strategic Bank Management Seminar**, over an intensive three-day period, delegates will:

- Obtain a **detailed overview of total bank operations** – seeing clearly how everything fits together.
- Appreciate the **impact of Basel III** on commercial bank operations.
- Establish how to **restore profitability** through the design and execution of successful strategies – taking into account the need for **liquidity** and the **cost of capital** in a **Basel III world**.
- Identify and analyse a **bank's exposure** to the various sources of **risk** – and how to design strategies to **control risk** within acceptable bounds.
- Appreciate the **dynamics of commercial banking** – exploring the **interactions** between **funding, lending, liquidity, and capital**.
- Assess how **derivatives** like **interest rate swaps** and **credit default swaps** can enable banks to **manage** their **exposure** to **interest rate** and **credit risk** – but to be aware of **counterparty** and **mark-to-market** risk.
- Explore how successful **securitisation** can help banks manage their balance sheet.
- Understand **asset and liability management** concepts – and how they affect day-to-day decisions throughout the bank.
- Broaden the **breadth** and **depth** of their **banking knowledge** – learning about and gaining first-hand experience within each major area of the bank.

Hot Topic How Basel III will impact banks



After taking part and experiencing the issues at first hand with **Global Banker**, delegates will gain a remarkable understanding of each of the principal functional areas within a bank, and see clearly how these areas successfully integrate together.

Delegates will learn to recognise the wider impact of their actions, and will be able to apply more astute judgement in the execution of their decisions. Instead of a blinkered outlook, delegates will have a panoramic view. Instead of copying the competition, delegates will devise creative strategies. Instead of reacting to problems, delegates will identify potential obstacles and implement pro-active tactics to circumvent them. In short, delegates will be able to make better, more profitable, but safe decisions, to the material advantage of the bank.

In an ever more complex and risky world, the **Strategic Bank Management Seminar** will help delegates achieve the critical edge.

Delegate Profile

ACF's **Strategic Bank Management** seminar will be of tremendous benefit to any bank officer who needs to understand the "big picture". At first sight, some may think this would only apply to top management, but such a belief would be mistaken. *Anyone whose decisions affect the bank – whether at branch, divisional, or head office level – will certainly derive tangible benefit from the experience.*

For example, a corporate lender assessing loan profitability will learn not only to look at the straight margin over cost of funds, but to take into account the bank's cost of capital, liquidity servicing costs, income from related services, bad debts, and operational costs as well.

Those for whom the seminar will be particularly relevant include:

- middle-management and senior bank executives
- country, regional, and senior branch managers
- high-flyers on accelerated development programmes
- credit and corporate finance officers
- domestic and international managers
- treasury staff
- strategists, planners, and those actually responsible for asset and liability management
- operational, support, and other head-office personnel
- regulators responsible for monitoring the operations of a large bank
- government personnel involved in overseeing financial institutions



Course Outline

Overview of Bank Financial Management

- Balance sheet structures
- On- and off-balance sheet accounts
- Interest rate risk measures
- Securitisation
- Regulatory ratios
- Capital adequacy
- Liquidity
- ALM concepts
- Integrating total bank operations – credit, finance, trading, treasury and risk management
- **Hot Topic:** The importance of credit risk, liquidity, and capital in today's environment.

Risk Management

- Identifying banking risks
- Credit risk
 - Exposure from traditional lending
 - Exposure through credit derivatives like CDS and CDO
- Liquidity risk
 - Analysing the need for liquidity
 - Providing liquidity – asset-based and liability-based alternatives
- Interest-rate risk
 - Maturity mismatch
 - Gap risk
 - Yield-curve risk
- Currency risk
- Duration risk
- Operational risk
- Quantifying risk exposures
- Controlling risk through pro-active risk management
- Hedging techniques using derivatives
- Integrating and combining risks
- The Value-at-Risk (VaR) approach
- Topical issues:
 - Measuring risk under crisis conditions
 - Combining credit risk and market risk
- **Hot Topic:** Measuring risk in a stressed environment – beyond the VaR approach.

Profitability

- Measuring profitability: RoA vs. RoE
- Risk-adjusted returns
- Capital-adjusted returns
- Risk-return trade-off
- Impact of capital and liquidity requirements on bank profitability
- Cost of implementing hedging programs
- **Hot Topic:** Returning to and maintaining profitability.



Lending Policy

- Credit risk and its impact
- Risk assessment
- Establishing acceptable levels of risk-adjusted return
- Using credit derivatives to manage credit risk exposure
- Achieving the right lending mix
- Retail vs. corporate
- Syndicated loans
- Floating-rate vs. fixed-rate
- Pricing
- Marketing
- **Hot Topic:** The importance of credit risk management in today's environment.

Liquidity, Financing Policy, and Basel III

- Retail vs. money-market funding
- Over-dependence on the money-markets – the problem
- Liquidity risk from market funding
- Competing for retail deposits
- Marketing
- Minimising costs of money market funding
- Timing
- Liquidity
- Basel III and the new liquidity ratios:
 - Liquidity Coverage Ratio
 - Net Stable Funding Ratio
- **Hot Topic:** How much will the new Basel III liquidity rules affect my bank?

Treasury Management

- Using money-market instruments – bills, CDs, commercial paper and bonds
- Using derivative instruments – futures, options, FRAs and swaps
- Controlling risk
- Managing cash flows and liquidity
- Investment management
- **Hot Topic:** Investing in liquid assets when Treasury rates are zero.

Capital Management

- Raising capital
- Debt vs. equity vs. hybrid instruments
- Floating-rate vs. fixed-rate debt
- Callable bonds
- Convertibles, equities
- Measuring the cost of capital
- RAROC
- Capital allocation
- Securitisation of assets
- **Hot Topic:** Raising capital – what is the best choice?



Capital for Credit, Market, and Operational Risk – Basel I through Basel III

- Basel I
- Tier One, Tier Two, and RWA
- Basel II
- Pillars I, II, and III
- Menu of approaches
- Standardised vs. Internal Ratings Based (IRB) approaches
- Foundation vs. Advanced IRB approaches
- Using internal credit models
- Allowance for credit risk mitigation
- Use of credit derivatives
- Collateralisation
- Operational risk
- Basel III
- The new capital and leverage ratios
- The Capital Conservation Buffer
- The Countercyclical Buffer
- The Market Risk Amendment
- Using internal market risk models
- The multiplier: yellow and red cards
- **Hot Topic:** How will Basel III affect my bank?

Strategic Bank Management and ALM



www.ACFacademy.com

Registration Form

Fax to: +44 (20) 7491 3386 or +1 (212) 422 4640

Contact Information:

eMail: ACFacademy@acfconsultants.com
Tel: +44 (20) 7518 9830 + 1 (212) 422-4320
Fax: +44 (20) 7491 3386 + 1 (212) 422-4640

If you are interested in any financial training seminars, please visit our website(s) at:

www.acfacademy.com
www.acfconsultants.com

Accreditation: ACF Consultants Ltd is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

State Boards of Accountancy have final authority on the acceptance of individual courses for CPE Credit.

Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417. Website: www.nasba.org.

Fees: The fee for each seminar is per participant, inclusive of refreshments, lunches and seminar materials.

Course fees do not include applicable tax, transportation, or hotel accommodation, unless otherwise indicated.

Preferential rates may be available; please mention our seminar when booking with the hotel.

Payment must be received in full at least 30 days prior to the start of the seminar.

Special prices

(participants are only eligible for one of the following):

- 5% reduction when an individual registers 60 days or more prior to the commencement of a seminar
- 10% reduction when 2 or more individuals from an organization register for the same seminar
- 10% reduction when an individual registers for more than one seminar at a time

Cancellation Policy:

Cancellations may be made up to 30 days in advance of the seminar, after which date refunds cannot be given.

Notification must be received in writing by letter, fax, or email. In the event of a participant not being able to attend, a substitution may be made at no extra cost. We reserve the right to amend the prices, or cancel a seminar at any time.

Refund Policy: For further information on our refund and complaint policy, please contact us.

I WISH TO ATTEND THE FOLLOWING PROGRAM

- London Chicago
 New York Toronto

Dates: _____

Course Schedule - Classes run from 9am - 5pm. Lunch, and morning and afternoon refreshments are provided daily. Venue details will be provided on receipt of registration form.

HOW DID YOUR HEAR ABOUT THE PROGRAM?

- Colleague Client's Company Email Google
 ACF's Event ACF's Rep ACFacademy.com
 NASBA Advertising Financial Times

DELEGATE DETAILS

Name: _____
Title: _____
Department: _____
Company: _____
Address: _____
City: _____ State/County: _____ Zip/Postcode: _____
Country: _____
Telephone: _____ Fax: _____
E-mail: _____

ADDITIONAL DELEGATE DETAILS

Name: _____
Title: _____
Department: _____
Company: _____
Address: _____
City: _____ State/County: _____ Zip/Postcode: _____
Country: _____

PAYMENT DETAILS

Payment Method: VISA Master Card Invoice me at the address listed above

Card #: _____ Expiration: _____
CVC: _____

Cardholder Name: _____

Signature: _____
(signature required)

