



## STRATEGIC BALANCE SHEET MANAGEMENT & OPTIMIZATION: Scenario-Driven Perspective

**15<sup>th</sup> – 17<sup>th</sup> July 2019, InterContinental Hotel, Kuala Lumpur**

The course will provide attendees with detailed tuition on how to manage the entire asset and liability framework by focusing on areas of potential capital savings. A hands-on perspective is followed. The use of worked examples and case studies provides a comprehensive framework to be directly used on a day-by-day basis.

During the first day, margin at risk and liquidity are explored through the lenses of the traditional asset and liability management framework. Case studies help consolidating the broader understanding of the key issues risk managers need to face.

A deep dive into credit risk characterizes the second day. An introduction to portfolio credit risk modelling is followed by the exam of the relationships with Advanced Internal Rating Based (AIRB) modelling. A series of case studies allow attendees to grasp strategic balance sheet management hands-on details. Market and operational risks are also investigated by paving the way to the overall RWA projection.

During the third day, capital allocation is explored by focusing on credit risk policies and strategic planning. Balance sheet and profitability projections are at the very heart of a process aimed at identifying the risk adjusted capital efficient frontier. Case studies help consolidating the broader understanding of the key issues risk managers need to face on a day-by-day basis.

### KEY HIGHLIGHTS

- Estimate asset and liability sensitivity to interest rate shocks
- Formulate gap analysis and margin at risk in Excel
- Construct sensitivity analysis
- Analyze liquidity risk from regulatory & managerial perspective
- Evaluate Value at Risk and stressed VaR for market risk
- Aggregate credit, market and operational risks
- Estimate balance sheet projections under alternative scenarios
- Construct efficient frontier and capital allocation under different scenario hypotheses

# AGENDA

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## Day 1

**0830 – 0900**

**Registration & Coffee**

**0900 – 1030**

**Session 1: Introduction to Asset and Liability Management**

- Course overview
- Introduction to asset and liability management

**1030 – 1100** Coffee Break

**1100 – 1230**

**Session 2: Margin at Risk Analysis (a link to Pillar 2 capital requirements)**

- Interest rate gap assessment
- Margin at risk under instantaneous interest rate shocks
- Case study: gap analysis and margin at risk in Excel

**1230 – 1330** Lunch

**1330 – 1500**

**Session 3: Interest Rate Sensitivity Analysis**

- Analysis of the term structure of interest rates
- Asset and liability sensitivity to interest rate shocks
- Case study: sensitivity analysis by means of R software

**1500 – 1530** Coffee Break

**1530 – 1700**

**Session 4: Liquidity Risk: Managerial Approach**

- Time-grid liquidity gap assessment
- The role of uncommitted facilities
- Case study: stress testing liquidity risk - managerial approach

**1700** Wrap up day 1

## Day 2

**0830 – 0900** Registration & Coffee

**0900 – 1030**

**Session 5: Liquidity Risk Analysis from a Regulatory Perspective**

- Liquidity coverage ratio (LCR)
- Net stable funding ratio (NSFR)
- Liquidity scenario analysis
- Case study: stress test on LCR and NSFR

**1030 – 1100** Coffee Break

**1100 – 1230**

**Session 6: Credit Risk RWA**

- Risk weighted asset analysis: standardized and advanced approaches
- Impacts of Basel IV on credit risk RWA
- Credit risk portfolio modelling

**1230 – 1330** Lunch

**1330 – 1500**

**Session 7: Case Study on Portfolio Modelling**

- Credit portfolio modelling by means of R software

**1500 – 1530** Coffee Break

**1530 – 1700**

**Session 8: Market and Operational Risks**

- Value at Risk and stressed VaR for market risk
- Operational risk: from base to advanced methods
- Impacts of Basel IV on operational risk RWA

**1700** Wrap up day 2

## Day 3

**0830 – 0900** Registration & Coffee

**0900 – 1030**

**Session 9: Overall RWA Aggregation**

- How to aggregate credit, market and operational risks
- Impacts of Basel IV on RWA aggregation
- RWA optimization leavers
- Case study: RWA optimization

**1030 – 1100** Coffee Break

**1100 – 1230**

**Session 10: Balance Sheet and Capital Planning**

- Scenario definition
- Balance sheet projections
- Profit and loss projections
- Case study: balance sheet projections under alternative scenarios

**1230 – 1330** Lunch

**1330 – 1500**

**Session 11: Credit Risk Policies and Capital Allocation**

- Name and sector concentration
- Risk adjusted performances
- Case study: credit risk and capital allocation

**1500 – 1530** Coffee Break

**1530 – 1700**

**Session 12: Efficient frontier**

- Efficient frontier and capital allocation under different scenario hypotheses
- Risk integration: credit, market, interest rate, and liquidity analysis
- Hints on Data envelopment analysis (DEA)

**1700** Course Conclusion

## SPEAKER



**Dr Tiziano Bellini**  
**PhD**  
(Statistics)

- Worked in risk management and finance across Europe, London and New York for the past 20 years.
- Experience include Barclays Investment Bank, EY Financial Advisory Services in London, HSBC headquarter, Prometeia and other global leading companies.
- Guest lecturer at the London School of Economics and Political Science, Imperial College of London.
- Doctorate in statistics from University of Milan and London School of Economics and Political Science.
- Authored the books "Stress Testing and Risk integration in Banks: a Statistical Framework and Practical Software guide in Matlab and R", "IFRS 9 and CECL Credit Risk Modelling and Validation: A Practical Guide with Examples Worked in R and SAS".
- Authored papers published in European Journal of Operational Research (EJOR), Computational Statistics and Data Analysis (CSDA) and other top reviewed Journals.
- Referees of Journal of Banking and Finance (Elsevier), European Journal of Operational Research (EJOR), Journal of Applied Statistics (Taylor & Francis), Journal of Risk, and other top Journals.
- Trainer in risk management and statistics, he is also a Qualified Chartered Accountant and Registered Auditor.

### This course is designed to be of most benefit to:

- CFOs, heads of finance and finance officers
- CROs, risk managers, and risk analysts
- Compliance and audit professionals
- Treasurers, treasury managers and ALM professionals
- Portfolio and other fund managers
- Credit administration managers and credit portfolio analysts
- Regulators

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## BOOKING DETAILS

I am booking:	Price per Delegate	Total Price	Early Bird (10% Discount)
<input type="checkbox"/> 1 delegate	RM5,999	<b>RM5,999</b>	RM5,399
<input type="checkbox"/> 2 delegates (5% Discount)	RM5,699	<b>RM11,398</b>	RM10,258
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\* Further attractive packages are available for groups of more than five. Please contact us directly.

**Online training option:** I would like to also enrol for the online course, **Shariah Risk & Governance Framework for Islamic Financial Institutions** for the special price of RM200 per user. Please tick here

### Available Discounts

**Early Bird:** Registrations received on or before 15<sup>th</sup> June 2019, will receive a 10% discount. No discount shall be given to registrations received after this cut-off date.

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