



The EUROPEAN SUPERVISOR EDUCATION INITIATIVE (ESE)
presents the web seminar on

“INTEREST RATE RISK AND ASSET-LIABILITY MANAGEMENT IN BANKS”

via Cisco WebEx Meetings from the 8th to 10th of June 2021

OBJECTIVES

The seminar aims at providing insights into all relevant aspects of interest rate risk management both from a theoretical and practical perspective. Corresponding aspects of the IRRBB guidelines, pricing for liquidity/setting up an adequate FTP-system, dealing with interest rate risk model risk, etc. are comprehensively covered.

Participants will have a chance to familiarize themselves with best practice models, discuss different approaches and share their experience.

TARGET GROUP

Primarily banking supervisors (micro-prudential) or staff members from the financial stability sector (macro-prudential) from Central Banks or National Competent Authorities (NCAs) in Europe, who have already gained some experience in the field of the title topic and are interested in deepening their knowledge and sharing their experience with other staff members.

FORMAT

Presentations, Q&A, discussions, case-studies

TRAINERS

Market professionals for risk management, treasury and Asset Liability Management will present their perspective and stand ready for an exchange of views. A former expert from Erste Bank der Oesterreichischen Sparkassen AG will speak on regulatory experiences and developments relating to the IRRBB requirements.



EUROPEAN SUPERVISOR EDUCATION INITIATIVE

REGISTRATION

Training Fee: between 285 - 430 Euro (depending on final number of participants)

Please register via the ESE website: [https://www.e-se-initiative.org/e-se-en/trainings/online-registration](https://www.ese-initiative.org/e-se-en/trainings/online-registration)

Registration Deadline: 24 May 2021

Confirmations and the Link for participation will be sent after the registration deadline. Participation might be limited both in terms of total participants (20 to 30 participants) and by participants per institution. Invoices for the training fee will be sent after the training by the ESE Secretariat.

The web seminar will be delivered via WebEx, hosted by the training company.

WEB SEMINAR ORGANISATION

ESE Secretariat at Deutsche Bundesbank, Central Office Frankfurt

Email: ese-initiative@bundesbank.de

Phone: 069/9566-7809 or -5107



ESE Web Seminar

“Interest Rate Risk and Asset-Liability Management in Banks”

PROGRAMME

Day 1, Tuesday, 8th of June 2021

- 09.00 - 10.00 **Welcome by training company and ESE representative**
Session I: Introduction to ALM and Interest rate risk
- Overview of ALM topics and specific topics covered during the webinar
 - Regulatory requirements against the background of ALM
 - Introduction of a model bank
- 10.00 - 10.15 **Q&A**
- 10.15 - 10.30 **Break**
- 10.30 - 11.30 **Session II: Banking book cashflow and modelling**
- Cashflows as basis for interest rate risk management
 - The concept of discounting and calculating present values
 - Different types of products and modelling approaches
- 11.30 - 11.45 **Q&A**
- 11.45 - 12.00 **Break**
- 12.00 - 13.00 **Session III: KPIs and risk measures**
- Typical KPI's used by banks in the present value perspective
 - Pros and Cons of the various approaches
 - Case study
- 13.00 - 13.15 **Q&A**
- 13.15 **End of Day 1**



Day 2, Wednesday, 9th of June 2021

- 09.00 - 10.00 **Session IV: Allocation of earnings and Funds Transfer Pricing**
- The concept of splitting interest rate earnings and expenses based on market opportunity rates
 - Taking liquidity costs into account
 - Allocation of margins and maturity transformation results between banking divisions
- 10.00 - 10.15 **Q&A**
- 10.15 - 10.30 **Break**
- 10.30 - 11.30 **Session V: Net interest income - planning and simulation**
- The concept of measuring future earnings and the reason why it is important
 - Scenarios and essential assumptions as basis for simulations of earnings
 - Taking banks' IRRBB strategies into account (simulating treasury actions)
- 11.30 - 11.45 **Q&A**
- 11.45 - 12.00 **Break**
- 12.00 - 13.00 **Session VI: KPIs and risk measures for earnings**
- Central KPI's used by banks in order to measure risk and return from an earnings perspective
 - Pros and Cons of the various approaches
 - Case study
- 13.00 - 13.15 **Q&A**
- 13.15 **End of Day 2**



Day 3, Thursday, 10th of June 2021

- 09.00 - 10.00 **Session VII: Typical bank book strategies**
- why do both perspectives matter - Differences as well as pros and cons of present value and earnings perspective
 - active vs. passive strategy, two very different approaches for steering interest rate risk
 - Banking practise for steering of interest rate risk in different countries
- 10.00 - 10.15 **Q&A**
- 10.15 - 10.30 **Break**
- 10.30 - 11.30 **Session VIII: Defining the best strategy**
- Finding the best strategy
 - Capitalizing on the benefits of present value and earnings perspective through an integrated banking book management process
 - Case study
- 11.30 - 11.45 **Q&A**
- 11.45 - 12.00 **Break**
- 12.00 - 13.00 **Session IX: Asset Liability Management in “Erste Bank” – an international banking group**
- ALM in Erste Group - History and organizational set up
 - Elements of an effective management concept
 - The standard ALM process: From Data gathering to decision monitoring
- 13.00 - 13.15 **Q&A and Closing remarks**
- 13.15 **End of Web Seminar**