

# International Programme on Asset-Liability Management



September 24 – October 6, 2018

*Coordinators*  
Dr S V Kuvalekar  
Prof Sanjay Basu



National Institute of Bank Management  
Pune, India

### **For the Attention of Programme Participants**

- Date of Arrival at NIBM Campus : On or before September 23, 2018
- Date of Commencement of the Programme : September 24, 2018
- Duration of the Programme : Two weeks
- Date of Departure from Pune : On or after October 6, 2018 (Afternoon)
- Last Date for Receiving Nominations : September 14, 2018

### **Class-room Session**

Monday to Friday : 09.00 hrs. – 17.00 hrs.

### **Nominations and Enquiries**

Enquiries, if any, and nominations along with the fees may be sent to:

Dr S V Kuvalekar & Prof Sanjay Basu  
Programme Coordinators  
National Institute of Bank Management  
NIBM Post Office, Kondhwe Khurd  
Pune 411 048, India

Telephone : 0091-20-26716000 (EPABX)  
0091-20-26716305/26716129 (Direct)  
Fax : 0091-20-26834478  
E-mail : svk@nibmindia.org  
sbasu@nibmindia.org  
Website : www.nibmindia.org

**Last Date for Receiving Nominations: September 14, 2018**

# **International Programme on Asset-Liability Management in Banks and Financial Institutions**

Duration : Two Week

Dates : September 24 - October 6, 2018

Level of Participation : Senior and Middle Management

Coordinators : Dr S V Kuvalekar & Prof Sanjay Basu

## **Background**

With the deregulation and globalisation of financial markets, banks and financial institutions, including large and reputed banks across the globe, have been exposed to various types of market risks. In particular, the protracted financial crisis was triggered by deep-rooted weaknesses in asset liability management (ALM). As a result, more stringent ALM guidelines have been issued by the Basel Committee. They call for a sharp increase in liquid assets, stable funds and core capital for banks.

The emerging challenges in ALM under greater volatility and regulatory focus require much better skills in market risks measurement and management. Banks and Financial Institutions need to estimate and appreciate the impact of the recent ALM guidelines under Basel III, on business mix, net interest margins and profitability. This programme is being offered to equip the participants with the necessary knowledge and technique for transition to a more efficient ALM regime.

## **Objectives**

The participants will be able to:

- Understand the role, scope and relevance of asset-liability management in the overall business management.
- Appreciate and apply latest tools and techniques for management of ALM.
- Analyse the operational issues which need to be addressed in order to ensure an effective ALM system.

## Content

Various aspects of asset-liability management will be covered in the two-week programme. More focus will be given on the following topics:

### *First Week*

- ❑ Role, Scope and Relevance of ALM Function
- ❑ Understanding of Bank Balance-sheet under IFRS
- ❑ Organisational Aspect of ALM System and the Role and Working of Asset-Liability Management Committee (ALCO)
- ❑ Application of Information Technology and use of Statistical Techniques in ALM
- ❑ Pricing of Deposit and Loan Products
- ❑ Managing Liquidity Risk: Quantification and Measuring of Liquidity Risk; Liquidity Gap Analysis; Contingency Funding Plan; and Stress Testing for Liquidity.
- ❑ Managing Interest Rate Risk: Sources of Interest Rate Risk; Use of Simple Gap Analysis; Duration Gap and its Impact on Value of Equity; Simulation Analysis; Value-at-Risk; and Use of Interest Rate Derivatives; Stress Testing for Interest Rate Risk.

### *Second Week*

- ❑ *Transfer Pricing Policy*: Scope, Application and Various Techniques
- ❑ *Bank Capital Structure*: Sources of Funds and Cost of Funds.
- ❑ *Managing Currency Risk*: Quantification, Management of Multicurrency Balance-Sheet and Use of Currency Derivatives
- ❑ *Profit Planning through Balance-Sheet Management*: Approaches and Strategies
- ❑ Basel Accord (II & III) on Capital Adequacy and Computation of Capital Risk Asset Ratio (CRAR)
- ❑ Liquidity Ratios under Basel Accord III
- ❑ Risk-Adjusted Return on Capital

- ❑ Asset Securitization and its Relevance in ALM
- ❑ Role of Risk Management and Treasury Department in Implementation of ALM System.

### **Teaching Methodology**

Various teaching methods including lectures, exercises, case discussion, film shows, computer-aided exercises, etc. will be used in the programme. Group discussion and presentations will be an integral part of the programme methodology.

### **Participation**

- ❑ Executives in the middle and senior management grade from banks who are involved in the management of ALM system.
- ❑ Executives in the middle and senior management grade from banks working in the funds/treasury/investment/risk management department.
- ❑ Executives engaged in similar functions in financial institutions and investment banks.
- ❑ Executives from central banks of various countries.

### **Faculty**

In addition to the NIBM faculty, known experts from the regulators, banking industry and professionals will teach as guest faculty.

### **Coordinators**

Dr S V Kuvalekar & Prof Sanjay Basu

### **Dates**

September 24 – October 6, 2018

The programme will begin at 9.15 am on September 24 and will conclude by 1.30 pm on October 6, 2018. Participants are expected to reach the NIBM campus, Pune, India by the evening of September 23, 2018.

## **Venue**

NIBM campus, Kondhwe Khurd, Pune 411 048, India.

## **Programme Fees (per participant)**

US \$ 4800 for foreign participants

Rs 1,17,600 plus applicable taxes in India for participants from Nepal and Bhutan.

Limited seats are available for this programme. The fee covers the cost of tuition, teaching materials, books, computer time, full board and lodging at NIBM for the entire duration of the programme and internal travel for field visits. However, it does not include excess baggage, embarkation charges at the airport, etc.

The fee does not cover the participant's out-of-pocket expenses. In case any sponsoring authorities/organisations are desirous of defraying these expenses or giving any other allowance, they may do so directly to the participant(s). The sponsoring organisations are requested to provide funds for 5 kilos of extra baggage to carry back the reading materials, books, etc. They may also provide for embarkation fees.

## **Medical Facilities**

Routine medical care by the Resident Medical Officer will be available on the campus, including cost of medicines. But this does not cover: (a) cost of spectacles; (b) hearing aids and orthopaedic appliances; (c) cost of anti-diabetic drugs; (d) cost of treatment of venereal diseases, sterility, impotency, obesity, TB, etc.; and (e) cost of dental treatment and artificial dentures.

## **Sponsorship by the Ministry of External Affairs, Government of India**

Participants of this programme are eligible for Sponsorship by the Ministry of External Affairs under the ITEC/SCAAP Programme. Therefore, the above mentioned fee structure does not apply to participants sponsored by the Ministry of External Affairs under the Government of India fellowships, *viz.* ITEC, SCAAP Programmes, etc. Per Diem allowances of these participants will be adjusted against the

board and lodging facilities provided by NIBM and therefore no direct payment will be made to the participants.

### **Hostel Accommodation**

The Programme is fully residential. Participants will be provided well furnished single room AC accommodation in the Institute's hostel complex on the campus. However, they will not be permitted to bring their family members to stay on the campus. In case any Officer/ Executive with physical/ medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements.

The Institute has facilities for outdoor and indoor games and a large walking/jogging trail for physical fitness besides a yoga centre. Participants are therefore encouraged to bring appropriate clothes/gear. Rooms will have electric Kettle, tea/coffee sachets, towels and essentials toiletries

### **Visa Requirements**

Participants are advised to obtain visa for three weeks stay in India

## About the Institute

The NIBM is a premier academic-cum-training institute for providing research, training and consultancy services to the banking industry and financial institutions both in India and abroad. The Institute was established in 1969 as an autonomous body by the Government of India and is supported by the Reserve Bank of India, Commercial Banks and Financial Institutions in India.

The Institute aims at promoting professionalism in the management of banks and other financial institutions by carrying out the following functions:

- ❑ Imparting training and education to bankers both in general and functional management areas.
- ❑ Conducting fundamental and applied research on problems concerning the banking industry.
- ❑ Providing consultancy and other advisory services to the industry in their problem solving endeavours.

The NIBM currently has 28 full time and 6 visiting faculty members working in the following area groups (multi-disciplinary approach): (a) Finance, (b) Human Resource Management, (c) Information Technology, (d) Money, International Banking and Finance, (e) Rural Finance and Development, (f) Strategic Planning, Marketing and Control.

The Institute conducts the following major education and training programmes:

- ❑ Top management conferences and seminars on policy issues.
- ❑ Training programmes in functional and general management areas for senior bank executives from India and other countries.
- ❑ Programmes for development of faculty at the banks' training establishments.
- ❑ Incompany programmes for meeting organization-specific requirements of banks and financial institutions both in India and abroad.
- ❑ Conducting AICTE approved Post-Graduate Diploma in Management (PGDM) - Banking and Financial Services to provide



to the financial system a pool of talented young executives on a regular basis. The Institute has been actively involved in research on various subjects concerning the banking and financial system. It has brought out more than 100 publications in the form of books and monographs.

The Institute also brings out the following quarterly Journals in English:

- ❑ *Prajnan*: Journal of Social and Management Science (launched in 1972)
- ❑ *Vinimaya*: Presents conceptual and practical viewpoints of both the bankers and management educationists on issues of bank management in an informal style (launched in 1976)

The Institute has contributed significantly to the development of banking and financial sector in India and other developing countries through its consultancy and policy research activities in diverse areas.

The Institute has an excellent **Library** with more than 65,000 books, 10,000 bound volumes of journals and 2,000 reports of various committees. The library receives more than 240 Indian and foreign academic journals on various subjects of management, information technology, banking and finance.

The Institute also has a modern, well-equipped **Computer Service Centre** to support its academic activities.

The Institute has excellent **Administrative Support Facilities** for carrying out its activities. These include reprographic services, internet and e-mail facilities, travel booking arrangements, entertainment facilities, etc. Medical facilities are also provided within the campus. The supporting administrative staff is efficient and well organized.

The **NIBM Campus** is situated in sylvan surroundings with well-maintained gardens, lawns and trees. The Institute buildings are spread over an area of 60 acres in a valley situated about 9 kms from Pune railway station and 16 kms from the airport.

The Institute has facilities for outdoor and indoor games and a large walking/jogging trail for physical fitness besides a yoga centre. Participants are, therefore, encouraged to bring the appropriate clothes/gears.

## **City of Pune**

The Institute is located on the outskirts of Pune, a metropolitan city in Maharashtra state about 170 km to the south-east of Mumbai (3.5 hours by car). The city is well-connected by air, rail and road to all the major cities and business centres of the country. Pune, considered to be the educational and cultural capital of the state, is endowed with a number of renowned institutions. Besides, it has a prominent place in the historical map of the country. The city also houses a variety of large and medium sized industrial units and IT companies.

## **Climate**

The city being situated on the eastern hills of the Sahyadri range of mountains of the Western Ghats, the climate is generally pleasant. Day time temperature during the scheduled programme will be a maximum of 30<sup>0</sup> C and a minimum of 21<sup>0</sup> C at night.

## **Clothing**

The weather being moderate in September, it is suggested that participants opt for informal clothes such as shirt, trouser, T-shirt, etc. Rainwear may be necessary only during the occasional withdrawing showers of the monsoon season. No woollens are required during this month.

## **Reaching NIBM Campus**

A relevant road map of Pune to guide the arriving participants is given on the back cover of this booklet. The Chhatrapati Shivaji Maharaj International Airport at Mumbai is the nearest international airport. Pune is connected by air and rail from major metros like Mumbai, New Delhi, Kolkata, Chennai and Bangalore. The city is also approachable by road from Mumbai and the shared taxi service, luxury (AC Volvo) and semiluxury (ASIAD) buses are regularly available from the Mumbai airport and Dadar TT (about 15 kilometres from the airport). The taxi and bus charges are approximately Rs. 450 and Rs. 450-550 per head respectively. The road journey of 200 kilometres from Mumbai to Pune normally takes around 3.5 hours.

In case of any requirements on arrival at Mumbai, participants may contact: NIBM Mumbai Office, Tel.: +91-022-23534782, +91-09867885332.

***Contact Person: Mr Sanjay Redkar***



**Library**

**National Institute of Bank Management**

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