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# ALM FRAMEWORK AND LIQUIDITY MANAGEMENT

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*Monday – Wednesday*

*19 – 21 July 2010*

*Kuala Lumpur*

21 CPE  
credit hours  
for CRP  
holders

**INSTITUT BANK-BANK MALAYSIA**

# OBJECTIVES

Upon completion of the programme, participants will be able to:

- gain an overview of the ALM framework and process;
- apply liquidity management concepts;
- apply the appropriate tools and processes to ensure an efficient liquidity risk framework in the organisation; and
- understand the application of Bank Negara Malaysia's New Liquidity Framework.

# KEY TOPICS

- **Market Risk Management**
  - Liquidity Risk
  - Price Risk
- **ALM Organisation**
  - Country ALCO
  - ALM Support Middle Office
- **Liquidity Management**
  - Funding Liquidity vs. Trading Liquidity
  - Funding Liquidity
    - Liability management
    - Asset sale and asset securitisation
    - Contingency funding plan
  - Trading Liquidity
    - Best practices
  - Liquidity Risk Organisation
    - Market risk committee
    - Risk architecture
    - Country treasurer
    - Country ALCO
  - Liquidity Risk Management Process
    - Liquidity plan
    - Legal vehicles and business units
  - Tools of Liquidity Management
    - Maximum Cumulative Cash Outflow (MCO)
    - Behavioral assumptions
    - Funding gaps and structural liquidity
    - Universal MCO
    - MCO under contingency funding scenarios
    - Liquidity ratios
    - Liquidity triggers
- Bank Negara Malaysia's New Liquidity Framework (NLF)
  - Liquid Assets Ratio (LAR) and shortcomings
  - Liquidity measurement framework
  - 3 levels of assessment
- Managing Liquidity under Real Time Gross Settlement System (RTGS)
  - Gross settlement vs. net settlement
  - Intra-day liquidity and settlement queues
  - Sources of intra-day liquidity
- **Balance Sheet and Capital Management**
  - GAAP Assets
  - RAAP Assets
  - Capital Planning
  - Capital Hedging
- **Pricing Of Assets and Liabilities**
  - Pricing Benchmarks
  - BLR
  - Internal Pricing (Transfer Pool)

lectures, group discussions and exercises.

ALCO members, Treasurers, Market Risk Managers, Treasury Cash Flow Managers, ALCO support staff and Internal Auditors of financial institutions

**Mr. Philip P. K. Tan** is a training consultant. He was formerly a Managing Director in Citigroup where he served as the Chief Financial Officer of Emerging Markets (EM) Sales & Trading, Asia Pacific of Citibank from November 2004 to November 2006 and as Director of Risk Treasury, Asia Pacific from August 2001 to November 2004. Prior to his posting to the Regional Office in Singapore in 2001, he was the Financial Markets Head and Country Treasurer of Citibank Berhad and a Director of Citibank Malaysia (L) Limited.

Philip has more than 24 years of experience in the field of banking and finance, principally in the areas of treasury and risk management. He was a member of the Asset-Liability Committee (ALCO) of Citibank Berhad. He had served the Persatuan Kewangan Malaysia as a Committee Member and was a pioneer member of its technical committee. He also served as a member of the Capital Markets Committee of The Association of Banks in Malaysia. From 1998 to 2000, he was closely associated with the development and implementation of the New Liquidity Framework (NLF) and the Real Time Gross Settlement System (RENTAS) in Malaysia.

Philip has consulted and given lectures and seminars on treasury and risk management subjects to corporations, the financial community and central banks including Bank Negara Malaysia, Bank Indonesia, and the State Bank of Vietnam. He also serves Institut Bank-Bank Malaysia (IBBM) as a lecturer and an examiner and is an Associate Fellow of IBBM. Philip holds a First Class Honours B.A. in Business Studies (Accounting and Finance) from North-East London Polytechnic, U.K. and has attended the Oxford International Executive Programme and the Stanford-NUS Executive Programme.

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| <b>Date</b>                                 | Monday – Wednesday, 19 – 21 July 2010  |
| <b>Time</b>                                 | 9.00 a.m. – 5.00 p.m.  |
| <b>Venue</b>                                | Institut Bank-Bank Malaysia  |
| <b>Attire</b>                               | Office attire  |
| <b>Fee</b>                                  | STF Member : RM1,000<br>IBBM Member : RM1,650<br>Non-Member : RM2,150  |
|   | The above fee includes programme materials, meals and refreshments.<br>Payment of fees must be made BEFORE commencement of the programme.  |
| <b>Closing date</b>                         | Monday, 5 July 2010  |
| <b>Enquiries</b>                            | Kindly contact Nizam/Wani at 03-2095 8922 (ext 144/174).   |
| <b>Nominations</b>                          | Participation is limited to 20 persons on a first-come, first-served basis. IBBM reserves the right to decline any nominations, without the obligation of providing any reason. Confirmation of participation is by way of official notification from the Institute. |
| <b>Kindly address nomination form(s) to</b> | The Executive (Learning Solution 3)<br>Institut Bank-Bank Malaysia<br>Wisma IBI, 5 Jalan Semantan<br>Damansara Heights<br>50490 Kuala Lumpur<br>Fax : 03-2095 7822      Email : <a href="mailto:lead@ibbm.org.my">lead@ibbm.org.my</a>                               |
| <b>Commitment to the programme</b>          | The intensive nature of IBBM programmes requires the participants' full undivided attention and attendance at all sessions. Participants should be free of their professional obligations for the duration of the programme.   |

**Notice of withdrawal:**

Unless written notice of withdrawal is received before the closing date of the programme, the full fee is still due in the event of non-attendance. The Institute accepts replacement(s), which must be made in writing, prior to the programme's commencement date. However, no substitution of participant(s) will be allowed for the duration of the programme. The Institute reserves the right to make changes to the schedules, venue or cancel the event altogether.

**REGISTRATION FORM****ALM FRAMEWORK AND LIQUIDITY MANAGEMENT****19 – 21 July 2010**

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**Name & Signature of Nominating Officer (Please stamp)**

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**Name & Address of Nominating Organisation (Please stamp)**

**FEE**

Please make bank draft/cheque payable to **INSTITUT BANK-BANK MALAYSIA**. Payment of fees must be made BEFORE commencement of the programme

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| Bank Draft/Cheque No |
| RM                   |

| PARTICIPANT 1                      |  |  |  |  |  |  |  |  |  |  |  |  |
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| Individual Membership No. (if any) |  |  |  |  |  |  |  |  |  |  |  |  |
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| PARTICIPANT 2                      |  |  |  |  |  |  |  |  |  |  |  |  |
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| CONTACT PERSON          |  |
|-------------------------|--|
| Name                    |  |
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**Please complete and return this form to the Institute before 5 July 2010**