e-learning and reference solutions for the global finance professional

Asset Liability Management

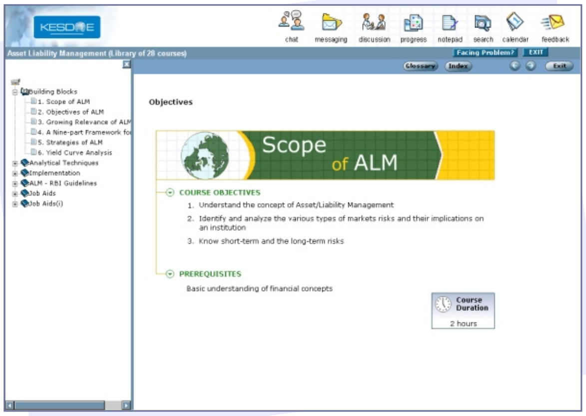
A comprehensive e-learning product covering Global Best Practices, Strategic, Operational and Analytical aspects

After completing this course, you will be able to:

- Use ALM to meet regulatory/solvency/liquidity requirements
- Control and diversify risk
- Reduce mismatches
- Establish strategic directions
- Add value creation, Risk-adjusted Return on Capital (RAROC) and
- Capital Allocation

PO Box 910207, San Diego, CA 92191, U.S.A. Ph.: +1-858-558-8118,
Fax: +1-858-558-8448, email: information@kesdee.com

Asset Liability Management



Course Level & Number of Courses
Intermediate & Advanced Level
Library of 28 Courses

Instructional Method
Dynamic, Interactive e-learning

Recommended Background
Familiarity with basic financial concepts

Overview

Volatile global markets, proliferation of new financial products and changing regulatory environments have made Asset Liability Management (ALM) a critical function for banks and financial institutions today. It is therefore becoming increasingly important to define, measure, monitor and manage an institution's exposure to Foreign Exchange, Interest Rate and Liquidity Risks on a coordinated and consistent basis.

Target Audience

Every professional involved in the global financial services industry (as a provider, user, regulator or advisor of product/services, marketplace/exchange) would benefit from KESDEE's innovative solutions.

- Supervisory Agencies
- Central Banks
- Financial Institutions
- Commercial Banks
- Investment Banks
- Housing Societies/Thrifts
- Mutual Funds
- Brokerage Houses
- Stock Exchanges
- Derivatives Exchanges
- Insurance Companies
- Multinational Corporations
- Accountancy Firms
- Consultancy Firms
- Law Firms
- Rating Agencies
- Multi-lateral Financial Institutions
- Others

The themes of this product are:

- Exposure by 'Choice' not by 'Chance'
- Assets and Liabilities may be good when viewed in isolation but what is required is a proper match between them
- An integrated approach with our proprietary 9-Part Framework for ALM
- Examine not only what is On-Balance Sheet and Off-Balance Sheet but also what is behind the Balance Sheet (Quality of Risk Management Infrastructure)

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Time taken to complete each Course: Two - Three hours

1. Scope of ALM
- Objectives
- Introduction
- Interest Rate Risk
- Foreign Exchange Risk
- Commodity Risk
- Stock Market Risk
- Liquidity Risk
- Credit Risk

2. Objectives of ALM
- Objectives
- Introduction
- Rate Scenario Table
- Short Term and Long Term Risk

3. Growing Relevance of ALM
- Objectives
- Nature and Significance of ALM
- Financial Volatility
- Explosion of New Products
- Regulatory Initiatives
- Management Recognition

4. A Nine-part Framework for ALM
- Objectives
- Introduction
- Strategic Framework
- Organizational Framework
- Operational Framework
- Analytical Framework
- Technology Framework
- Information Reporting Framework
- Performance Measurement Framework
- Regulatory Compliance Framework
- Control Framework

5. Strategies of ALM
- Objectives
- Introduction
- On Vs. Off-Balance Sheet Strategy

6. Yield Curve Analysis
- Objectives
- Introduction to Yield Curve Analysis
- Types of Yield Curves
- Analyzing Yield Curve
- Bond Arbitrage Strategies
- Application of Yield Curve

7. Interest Rate Gap Analysis - I
- Objectives
- Introduction to Gap
- Gap Report
- Considerations in Slotting of Different Items

8. Interest Rate Gap Analysis – II
- Objectives
- Income Impact
- Gap Limits
- Restructuring Strategies
- Strengths and Limitations

9. Interest Rate Gap Analysis – III
- Objectives
- Asset Restructuring Strategy
- Liability Restructuring Strategy
- Growth Strategy
- Shrinkage Strategy
- Off-Balance Sheet Strategy

10. Simulation and Scenario Analysis - I
- Objectives
- Introduction to Simulation
- Measuring Risk Positions
- Scenarios and Results
- Simulation Modeling
- Backtesting

11. Simulation and Scenario Analysis – II
- Objectives
- Non-specific Maturity Items
- Business Strategies
- Monte Carlo Simulation
- Software Packages
- Strengths and Limitations

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12. Duration I
- Objectives
- Introduction
- Duration Vs. Yield
- Duration Vs. Maturity
- Duration Vs. Coupons

13. Duration II
- Objectives
- Duration of a Perpetual Bond
- Duration of a Bond with Embedded Options
- Duration of Portfolio
- Duration of Off-Balance Sheet Items
- Approximation in Duration
- Gap Vs. Duration
- Payment Frequency
- Strategies for Risk Management

14. Duration III
- Objectives
- Duration of Equity and Leverages
- Examples
- Duration of Complex Items
- Leveraged Inverse Floaters
- Zero Coupon Yield Curve
- Comparison

15. Duration IV
- Objectives
- Duration of Complex Items
- Zero Coupon Yields Curve
- Comparison

16. Strategies for Internal Risk Management
- Objectives
- Dedication
- Immunization
- Indexation
- Active Management
- Rate Anticipation

17. Basis Point Value
- Objectives
- Introduction
- Calculation of Basis Point Value for On-Balance Sheet Items
- Calculation of Basis Point Value for Off-Balance Sheet Items
- Basis Point Value of a Portfolio

18. Convexity
- Objectives
- Introduction
- Definition of Convexity
- Convexity Calculation
- Convexity and Yield
- Convexity, Maturity, Coupon and Price Change
- Convexity of Portfolio
- Positive and Negative Convexity

19. Review of Statistical Concepts
- Objectives
- Statistical Measures
- Normal Distribution
- Correlation
- Volatility and Standard Deviation

20. Value at Risk -I
- Objectives
- Introduction
- Measures of Risk Exposure
- Computation of VaR
- Strengths and Limitations of VaR

21. Value at Risk -II
- Objectives
- VaR for Foreign Currency Spot and Options
- VaR for Foreign Exchange Forward
- VaR for Common Shares
- VaR for Fixed Income Securities
- VaR of a Portfolio
- Applications of VaR

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22. Application of Analytical Techniques
- Objectives
- Introduction
- Concepts and Assumptions
- Application
- Practices
- Case Study I
- Case Study II

23. AL Organization
- Objectives
- Introduction
- Composition of ALCO
- Scope of ALCO
- PropertiesI

24. ALCO Meetings
- Objectives
- Introduction
- ALCO Meetings
- ALCO Data Requirements

25. ALM Policies and Procedures
- Objectives
- Introduction
- Policy Statement
- Procedure Manual
- ALCO Reports

26. Funds Transfer Pricing
- Objectives
- Introduction
- Concepts
- Review of Risks
- Practices

27. Funds Transfer Pricing - Practices
- Objectives
- Introduction
- Analysis of Techniques

28. Audit of ALM
- Objectives
- Introduction
- Overall Approach
- Audit

JOB AIDS
- Measurement Tools
- Disclosures
- Regulations
- Global Best Practices
- Benchmarking Data
- Policy Templates

Calculators in Asset Liability Management
1. Standard Deviation for a given Confidence Level
2. Confidence Level for a given Standard Deviation
3. Duration
4. Duration of a Portfolio
5. Duration using Zero Coupon Yield Curve
6. Duration of Amortizing Assets
7. Duration of uneven cash flows
8. Duration of Equity
9. Convexity
10. Convexity of uneven cash flow
11. BPV of a Bond
12. BPV of a Forward Rate Agreement (FRA)
13. BPV of a Portfolio
14. BPV of a Coupon Paying Bond
15. Value at Risk - Variance Covariance Method
16. Value at Risk for Different Weights
17. Gap Income Impact
18. Forward Rate Calculator
19. Zero Coupon Yield Calculator
20. VaR for required period and confidence level

KESDEE's Off-the-Shelf e-Learning Course Libraries

Product Name	No. of Courses
1. Asset Liability Management	Library of 28 Courses
2. Liquidity Management and Contingency Funding Plan	Library of 14 Courses
3. Financial Institution Analysis - CAMELS Approach	Library of 08 Courses
4. Financial Mathematics	Library of 07 Courses
5. Global Banking Supervision	Library of 15 Courses
6. Capital Adequacy Planning (Basel I)	Library of 07 Courses
7. Basel-II-University	Library of 63 Courses
8. Operational Risk Management – Basel II	Library of 09 Courses
9. Futures and Forwards	Library of 07 Courses
10. Swaps	Library of 07 Courses
11. Options	Library of 10 Courses
12. Market Risk - Basic	Library of 08 Courses
13. Market Risk - Intermediate	Library of 08 Courses
14. Market Risk - Advanced	Library of 04 Courses
15. Value at Risk	Library of 16 Courses
16. Credit Analysis	Library of 13 Courses
17. Credit Ratings	Library of 03 Courses
18. Counter party Credit Risk	Library of 09 Courses
19. Credit Risk Modeling	Library of 06 Courses
20. Credit Derivatives	Library of 23 Courses
21. Operational Risk Management	Library of 21 Courses
22. Asset Securitization	Library of 28 Courses
23. Asset Liability Management for Insurance Companies	Library of 29 Courses
24. Anti-Money Laundering	Library of 06 Courses
25. Financial Privacy	Library of 06 Courses
26. Corporate Governance	Library of 09 Courses
27. Sarbanes-Oxley Act	Library of 12 Courses
28. Governance, Risk and Compliance	Library of 07 Courses
29. Money Markets	Library of 09 Courses
30. Fixed Income Markets	Library of 17 Courses
31. Equity Markets	Library of 10 Courses
32. Foreign Exchange Markets	Library of 09 Courses
33. Commodity and Energy Markets	Library of 03 Courses
34. CTM - Foreign Exchange Management	Library of 07 Courses
35. CTM - Treasury Analytics	Library of 05 Courses
36. CTM - Interest Rate Risk Management	Library of 04 Courses
37. CTM - Funding and Investments	Library of 05 Courses
38. CTM - Implementation	Library of 04 Courses
39. CTM - Case Studies	Library of 05 Courses
40. Understanding Financial Statements	Library of 02 Courses
41. Budgeting	Library of 05 Courses
42. Management Accounting	Library of 07 Courses
43. Financial Accounting	Library of 09 Courses
44. Mutual Funds	Library of 10 Courses
45. Financial Planning	Library of 09 Courses
46. UCP600	Library of 07 Courses
47. International Trade Services	Library of 09 Courses
48. BBM - Deposits	Library of 04 Courses
49. BBM - Advances	Library of 07 Courses
50. BBM - Marketing	Library of 03 Courses

Available Products

KESDEE's Off-the-Shelf e-Learning Course Libraries

Product Name	No. of Courses
51. BBM - Payment and Settlement System	Library of 02 Courses
52. BBM - Foreign Exchange Operations	Library of 03 Courses
53. BBM - Trade Finance	Library of 02 Courses
54. BBM - Book Keeping and accounting	Library of 03 Courses
55. BBM - Ancillary Services	Library of 02 Courses
56. BBM - Risk Management	Library of 03 Courses
57. BBM - Technology and Security	Library of 02 Courses
58. BBM - HRM and CSR	Library of 02 Courses
59. BBM - Retail Banking	Library of 03 Courses
60. Introduction to Bank Lending Environment	Library of 07 Courses
61. Basics of Banking	Library of 10 Courses
62. Flotation	Library of 04 Courses
63. Project Valuation	Library of 03 Courses
64. Trading Operation Controls	Library of 04 Courses
65. Economics	Library of 16 Courses
66. Estate Planning	Library of 04 Courses
67. Global Economic Crisis - Liquidity Management	Library of 07 Courses
68. Brokerage Operations	Library of 01 Course
69. Risk Analysis	Library of 05 Courses

* CTM: Corporate Treasury Management
* BBM: Bank Branch Management

Certification Tutorials

1. ePRM Coach	Library of 68 Courses
2. Associate ePRM Coach	Library of 36 Courses
3. eFRM Coach for FRM Part I Exam	Library of 37 Courses
4. eCoach for the CFA® Level I Program	Library of 76 Courses

Upcoming Products

KESDEE has the required technology platform to respond to clients training requirements in the banking and financial services industry. We offer several solutions, each developed with the guidance of creditable experts.Given below are few of the forthcoming products:

- Agricultural Finance

KESDEE

GFTT
Global Financial Training and Technology

5280 Carroll Canyon Road, Suite 220, San Diego; CA 92121, U.S.A

☎ +1 858-558-8118 | Fax +1 858-558-8448

information@kesdee.com, gfttinfo@kesdee.com

www.kesdee.com, www.gftt.com