



International Degrees Ltd
Financial Training Academy Courses
From the Heart of the World's Main Financial Centre

The Financial
Training
Academy Ltd

CerELR Enhanced Introduction to Liquidity Risk Management

Course Director

The lecturers for this training event will be selected from amongst the faculty of lecturers provided by Risk Reward Limited UK.

Course Description

A two day course for supervisory and management staff covering the theory and practical aspects of the identification, measurement, monitoring, management and control of liquidity risk within financial institutions.

Learning Objectives

By the end of this course participants will have a detailed understanding of the nature of liquidity risk. They will be able to assess its impact upon the trading and non-trading operations of financial institutions and will possess knowledge of the range of activities and actions that are available to measure, manage and control liquidity risk within financial institutions.

Who Should Attend?

Junior to middle management within Treasury departments of financial institutions. Middle office and back office supervisors and management supporting trading operations. The course would also be useful for junior and middle ranking internal audit and compliance officers and executives.

Level of Preparation

Basic knowledge of the major products within international money and capital markets. An understanding of basic accounting including cash-flow and balance sheet reporting. Participants should be mathematically literate and should bring with them a financial calculator, e.g. HP12C or HP17B, which they are able to operate.

(more)

International Degrees Ltd

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LOCAL CONTACT

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Course Outline

DAY 1

Session 1 - Introduction

Session 2 - Treasury Management in Financial Institutions

- Role
- Function
- Objectives

Session 3 - Treasury Management Issues

- Historical case studies of liquidity risk issues

Session 4 - Types of Financial Risk

- Credit Risk
- Legal Risk
- Operational Risk
- Market Risk
- Liquidity Risk

Session 5 - Defining Liquidity Risk

Session 6 - Identifying Liquidity Risks

- Yield Curves
- Forward Curves
- Counterparty Risk
- Credit Ratings
- Market Dealing Practices

Session 7 - Measuring Liquidity Risks

- Liquidity Gap Analysis
- Volatilities
- Duration Analysis
- Stress Testing
- Scenario Analysis
- Credit Risk

DAY 2

Session 1 - Monitoring Liquidity Risks

- MIS
- Investment and Debt Policies
- Hedging Policies

Session 2 - Managing Liquidity Risks

- Asset and Debt Management Structures
- Cash-flow Matching
- Excess Liquidity
- Borrowing and Lending
- Fixed income inventory management
- Stock lending
- Derivative Hedging

Session 3 - Controlling Liquidity Risk

- Treasury Liquidity Management function
- Day-to-day operations
- Quantity and Quality of Liquidity Risk Indicators
- Audit Policies
- Contingency planning
- Performance Measurement
- Inter-company Funding
- Crisis Management
- Regulatory Environment
- Capital Adequacy

Session 4 - Wrap-up and conclusions

Lecturer's Notes:

1-3: Brief sessions.

6-9: Seminar sessions covering majority of course which includes financial calculations/examples/exercises for participants.

10: Discussion of advantages and disadvantages of appropriate methodologies

