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financial training

MASTERING LIQUIDITY RISK MANAGEMENT IN FINANCIAL INSTITUTIONS

A Review of Industry Best Practices

September 19th & 20th, 2010
Jumeirah Emirates Towers, Dubai

UNIQUE SESSION CHARACTERISTICS

- **Master Class Expert: Andre Horovitz** is an experienced financial risk manager. As a group head of risk control at HVB Group and as a chief risk officer at Erste Bank and Credit Suisse, Andre has gained first hand experience from some of the Industry´s most advanced Institutions in all areas relating to risk manage ment and control. As president of financial risk fitness, Andre trains and consults to premier banking corporations on topics relating to managing risks and financial engineering. Andre has trained numerous leading banks , central banks and regulating agencies on liquidity risk, stress testing and contingency planning.

- **Highly interactive format:** The number or participants is strictly limited to a maximum of 18. This small group guarantees participants a very interactive content delivery and effective learning.

- **Discuss your strategy**: Due to the small professional group you will be able to discuss your institution specific related issues directly with Andre and get inputs and help.

- **Benefit from support when implementing latest tools & techniques:** Stay in touch with Andre Horovitz for up to 6 months after the Master Class – if and when needed – and receive immediate support and answers to your questions.

The financial crisis of 2007-2009 has pointed once again to the importance of liquidity management and the accessing s of contingent liquidity sources for all financial institutions. Moreover, some of the best capitalised banks found that capital coverage does not necessarily safeguard the institution from liquidity stress.
This two day course purports to draw lessons from the liquidity crisis and discuss some of the practices "winning" institutions have implemented.

The program will combine case studies from the banking world with theoretical concepts and techniques to measuring, managing, mitigating and controlling liquidity risk. The seminar will challenge attendees to establish links between asset liquidity, funding and market liquidity while assessing the impacts on institutional net interest earnings and strategic positioning.

At the end of the two days seminar, attendees will be left with some toolkits they can apply in their daily functions as enhancing means to safeguard their institutional liquidity, especially during dysfunctional capital markets as experienced in the past two years.

Benefits of attending this comprehensive 2 day Master Class are

- Learn from Case Studies of various liquidity crises and what have those "surviving" institutions done differently?
- Discuss the contingent liquidity plans of complex financial organizations
- Assess liquidity risk models and the correlation between funding and asset liquidity in crisis situations
- Design a tailored liquidity funding plan as well as safeguard contingent liquidity sources for a typical universal bank
- Learn about the most recent advances in liquidity measurement and stress testing models for liquidity risk
- Review the recent regulatory proposals geared to safeguard the financial system from a similar liquidity crisis and assess the impact on the banking industry

Meet the Expert - Andre Horovitz

Andre Horovitz is the Founder of financial risk fitness. He has over 20 years experience in the Financial Services Industry. Mr. Horovitz started his banking career at Lehman Brothers as an Investment Banking Associate in 1988. He was responsible for pricing, developing hedging strategies and marketing exotic interest rate derivatives.

Mr. Horovitz has subsequently held senior executive positions at Oliver, Wyman & Co., Commerzbank, HVB Group (currently part of Unicredit), Erste Bank, Credit Suisse and Nagler & Company. At Erste Bank and Credit Suisse, Mr. Horovitz held the positions of Chief Risk Officer and was a member of the top management committees of the respective institutions.

Mr. Horovitz has been training financial professionals world-wide in financial risk management and financial engineering for over 7 years. He is an active institutional trainer on the faculties of Euromoney Training, DCGardner and RMA (the Risk Management Association)

He is a frequent speaker at various risk management conferences and a contributor to various industry journals.
He has held teaching assignments in financial risk management at the Technical Universities of Munich and Vienna. His areas of expertise cover all classes of financial risk management including the important link to overall institutional strategy.

Mr. Horovitz holds an Engineering Diploma in Hydraulics from The Technical University Bucharest and an MBA in Finance from New York University´s Stern Business School. He is a Registered Securities Representative in New York, a Licensed Professional Engineer (PE) in New Jersey & Michigan and a GARP (Global Association of Risk Professionals) certified Financial Risk Manager FRM®.

Key Topics to be covered in this Masterclass

Day 1

- **Definition of Liquidity**
    - Funding Liquidity vs. Market Liquidity
    - Dovetailing into the Enterprise Risk Management Framework:
      Market Risk
      Default Risk
      Credit Migration Risk
      Operational Risk
      Business Risk
- **Liquidity and Financial Operations**
    - Operating Requirements for Banks, Investment Funds & Insurance Companies
    - General Approaches to Liquidity Management
    - External Requirements
    - The Liquidity Risk/ Return Trade-off
    - Endogenous vs. Exogenous Liquidity
    - Case Study : a typical Liquidity Profile
- **Sources of Liquidity**
    - Liquid Assets
      Cash and Marketable Securities
      Receivables
      Inventories
    - Fixed Assets and Intangibles
    - Sources of Funding Liquidity
      Short Term Funding Markets
      Medium & Long Term Funding Markets
      Equity Capital
      Off Balance Sheet Liquidity
    - Unfavourable Legal / Regulatory Actions
    - Mismanagement
    - Negative Perceptions/ Market Actions
- **Exogenous Considerations**
- **The Funding Problems in Practice**
    - Rollover Issues
    - Lack of Market Access
    - Commitment Withdrawal
    - Excessive concentrations
- **Case Studies: The Effects of Funding Liquidity Risk: HVB, DEPFA**
- **Asset Liquidity Risk**
    - Sources
    - Exogenous considerations
    - Asset Issues:
      Lack of Marketeability
      Lack of Unencumbered Assets
      Excessive Concentrations

ABOUT THE WORKSHOP

By signing and sending the booking form you are registered for the Master Class.
We will send detailed pre-training information to all attendees about 4 weeks prior to the course.
If you need support with your travel arrangements, we will be able to help you via our travel partner.

WORKSHOP SCHEDULE

Registration	09.00am
Start	09.30am
Morning Break	11.00am
Lunch	13.00am
Afternoon Break	03.45pm
Ends	04.30pm

IN HOUSE TRAINING

If you would like more members of your company to benefit from this Master Class we are happy to arrange an in house session.

Contact us by email or phone and we will arrange a FREE Training Needs Analysis

Mr. Shariq Abdul
shariq.abdul@nuparc.com

Who should attend?

Generally from the Banking Industry, Insurers and Financial Service Providers, attendees can range from COOs, CFOs, Group Risk Managers, Directors/Managers/Analysts functioning as:

Treasurers
Liquidity Risk Managers
Risk Managers
Risk Controllers
Auditors
Financial Industry Regulators

Key Topics to be covered in this Masterclass

Day Two

- Financial Distress – Lessons from the Crisis of 2007-2009
  - Joint Asset and Funding Risk
  - The "Liquidity Spiral"
    - Debt Investors Viewpoints
    - Rating Agencies
    - Management
  - The Crisis from a Liquidity Viewpoint

- **Famous Pre-Crisis Cases:**
  - Drexel Burnham Lambert
  - Orange County
  - Swissair
  - Askin Capital
  - LTCM
  - Enron

- **The "Post Lehman Brothers" Crisis: Causes vs. Effects: Depfa Plc, Commerzbank/ Dresdner, Northern Rock, RBS**

- **Measuring Liquidity Risk**
  - Liquidity Ratios
  - Liquidity Gaps
  - Relationship to Re-pricing Gaps
  - Financial Instrument Liquidity Measures: VAR & LVAR
  - Haircuts
  - Stress Tests
    - Market Parameters
    - Funding
    - Currency Exposures
    - Cash Flows
    - Covenants & Terminations
    - Event Risks & Joint Scenarios
    - Asset disposals & Pledging
    - Collateral

- **Liquidity Risk Control**
  - Governance Structure
  - Mandate
    - Risk Plan
    - Resources: Budgets, HR
    - Duties & Responsibilities
  - Asset Liquidity Control
    - Collateral / Pledging Limits
    - Limits on Liquid & fixed Assets
  - Funding Liquidity Control
    - Diversified Funding Limits: Example (Credit Suisse)
    - Committed Facility Limits: Example (Credit Suisse)
  - Joint Liquidity Control
    - Cash Flow Gap Limits: Example HVB (Unicredit)
    - Balance sheet Target Limits
    - Hybrid Ratio Limits
  - Off Balance Sheet Control
    - Forward Commitments & Contingencies
  - Other Safeguards for Liquidity
    - Reserves
    - Mark & Model Verification
    - Penalty Systems
  - Liquidity Risk Monitors
    - Asset & Funding Portfolios
    - "Forward Balance Sheet"
    - General Indicators
    - Off-Balance Sheet Commitments & Contingencies
    - Stress Tests

- **Crisis Management**
  - Ex Ante Market Access
  - Defensive Measures
    - Recentralisation
    - Risk Hedging
    - Funding Management

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REGISTER NOW AND FAX THE FORM BACK TO 0044 (0)20 7960 7601

FEES

MASTER CLASS FEE

£1990 ☐

All prices include refreshments, lunch and documentation. If you have any special dietary requirements please confirm them here ______________________

INVOICE TO

For the attention of ______________________

Company ______________________

Address ______________________

______________________ Post Code ______________________

Country ______________________

Telephone no. ______________________ Fax ______________________

Email ______________________ VAT no. ______________________

ATTENDEE DETAILS

Mr/Mrs/Ms /other ____________ Name ______________________

Job Title ______________________

Email (if different) ______________________ Telephone (if different) ______________________

PAYMENT METHOD

☐ **Please Invoice** Purchase Order/ Reference Number ______________________

☐ **Pay by Credit Card** ☐ Mastercard ☐ Visa

Cardholder Name ______________________ Account Number ______________________

Start Date ____________ Expiry Date ____________ CCV Number ____________

I hereby acknowledge that I have the authority of my Company to incur this expenditure. I understand that invoices must be settled within 14 days or in advance of attendance at the event, whichever is sooner, and that attendees will be held responsible for the payment of such invoices. I confirm that I have read and understood the terms and conditions outlined on this page and agree to these terms.

Name ______________________ Signature ______________________ Date ____________

TERMS & CONDITIONS

Confirmation
Your reservation of a place on the class of your choice is confirmed on our receipt by email, fax or post of a signed registration form, and is subject to our full terms and conditions. Your booking will only be fully confirmed on receipt of your payment by bank transfer, cheque or credit card which must be received within 14 days of the signed registration form.
All master class fees are subject to English Value Added Tax at 17.5%

Cancellation
Cancellations must be received in writing and are subject to the following charges:
Cancellations received more than 28 days before the class start date will be charged at 50% of the class fee
The remaining 50% may be refunded or the delegate can opt to attend another class to which is of equal or lesser value than the original class.
Cancellations received less than 28 days before that class start date will be charged at 100% of the class fee.
In the event that a participant is unable to attend the class then this is treated as a cancellation.

Transfers
Transfers to alternative courses or dates must be received in writing and are subject to the following charges:
Transfer requests received more than 28 days prior to the class start date incur no charges, except any additional cost where the new class is a higher value than the original class.
Transfer requests received between 14 and 28 days of the class start date will be charged at an additional 20% of the original class fee plus any additional cost where the new class is a higher value than the original class.
Transfer requests received within 14 days of the class start date will be charged at an additional 50% of the original class fee plus any additional cost where the new class is a higher value than the original class.
In order for the transfer to be allowed, payment of any additional charges must be made prior to the class start date. In the event that payment is not received, then this shall be treated as a cancellation which is charged at 100% of the class fee.

Other
In the event that there is a change in class date, venue, content, expert, the event is permanently cancelled or for any reason whatsoever, the delegate shall receive a credit voucher for 100% of the charges that have been paid which and valid for 12 months. This voucher may be used against any other available class.

Law
These Terms shall be governed by and construed in accordance with the laws of England and both parties agree to submit to the exclusive jurisdiction of the English courts.

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