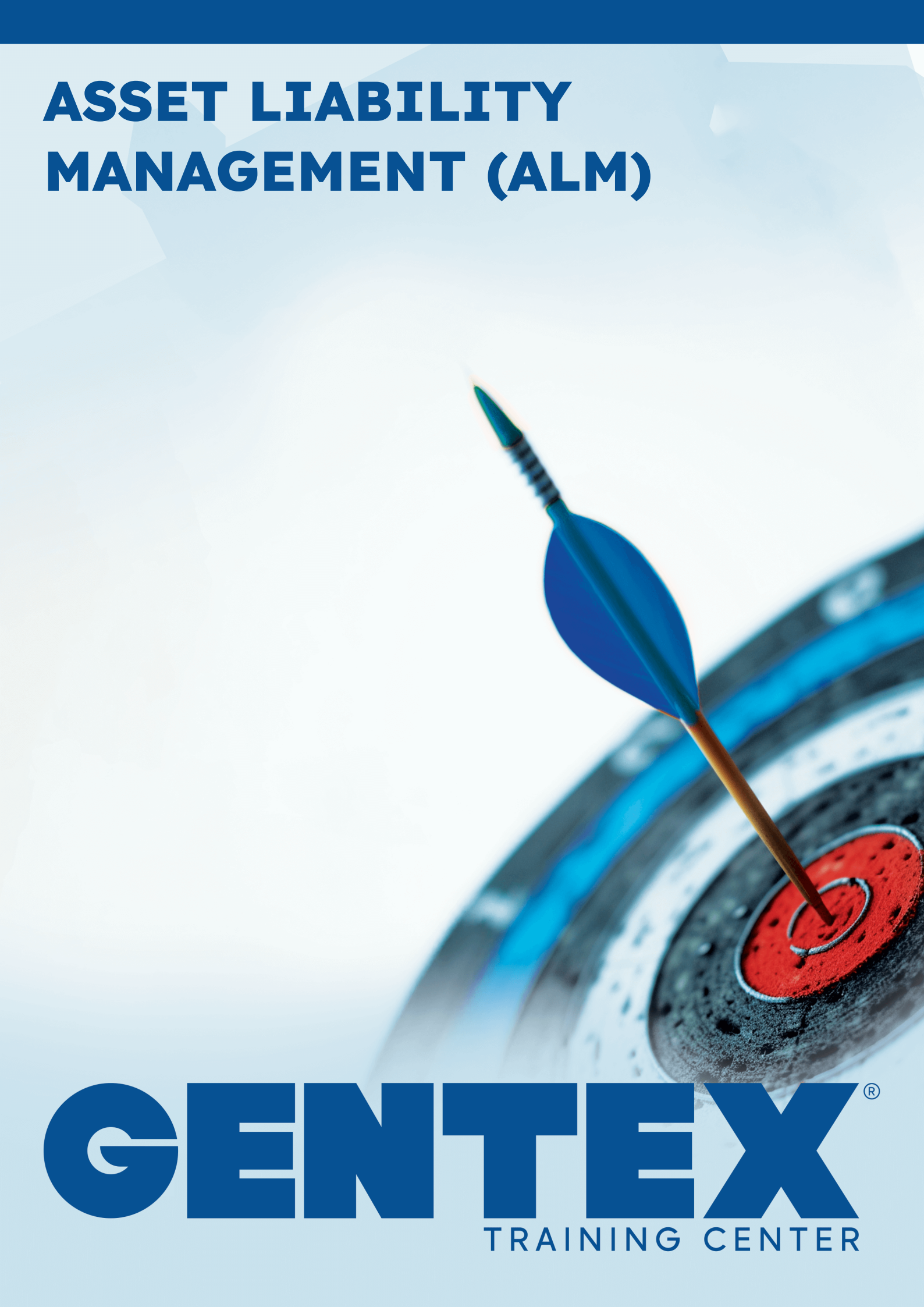
ASSET LIABILITY MANAGEMENT (ALM)



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Introduction

Asset Liability Management (ALM) Training Course develops the analytical and risk discipline that keeps financial institutions solvent under changing conditions. ALM matches the structure of assets against liabilities so that interest rate moves, liquidity pressures, and currency shifts do not destabilise the balance sheet. Weak ALM shows up late: in funding squeezes, margin erosion, and regulatory intervention. This course builds the capability that prevents those outcomes. It covers balance sheet structure, interest rate risk, liquidity management, and currency exposure. Furthermore, it applies gap analysis, duration and duration gap, VaR, stress testing, and scenario modelling. In addition, it develops governance, policy, and regulatory reporting. As a result, participants manage balance sheet risk with confidence and evidence.

Asset Liability Management (ALM) Course Objectives

- Explain ALM objectives, scope, and its role in financial stability.
- Analyse balance sheet structure, maturity profile, and repricing behaviour.
- Apply gap analysis to measure interest rate risk exposure.
- Calculate duration, modified duration, and duration gap.
- Apply Value at Risk and earnings-at-risk measurement approaches.
- Manage liquidity risk using ratios, cash flow ladders, and stress tests.
- Assess currency mismatch and foreign exchange exposure.
- Apply Basel liquidity standards including LCR and NSFR.
- Design ALM stress testing and scenario analysis routines.
- Build ALM policy, governance, and regulatory reporting frameworks.

Course Methodology

- Interactive lectures with real balance sheet and ALM cases.

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- Gap, duration, and repricing analysis workshops.
- Liquidity stress testing and cash flow ladder exercises.
- Interest rate and currency risk simulation practice.
- Structured peer review with facilitator feedback on ALM strategies.

Who Should Take This Course

- Treasury and ALM professionals.
- Bank risk managers and balance sheet analysts.
- Financial controllers in banks and financial institutions.
- Insurance and pension fund asset managers.
- Internal auditors reviewing ALM controls.
- Regulators and supervisors reviewing liquidity and interest rate risk.

Asset Liability Management (ALM) Course Outlines

Day 1: ALM Foundations and Balance Sheet Structure

- ALM objectives, scope, and organisational placement.
- Balance sheet structure and composition analysis.
- Maturity profile and repricing characteristics.
- Rate-sensitive assets and liabilities identification.
- ALM committee structure and decision rights.
- Interaction between ALM and business planning.
- Case study: analysing a financial institution's balance sheet.

Day 2: Interest Rate Risk Measurement

- Gap analysis and repricing gap calculation.
- Earnings sensitivity and net interest income modelling.
- Duration, modified duration, and convexity concepts.
- Duration gap and equity value sensitivity.
- Basis risk, yield curve risk, and option risk.
- Interest rate risk limits and tolerance setting.
- Workshop: calculating gap and duration gap for a portfolio.

Day 3: Liquidity Risk Management

- Liquidity risk sources and transmission channels.
- Liquidity ratios and regulatory metrics.
- Cash flow ladder and maturity mismatch analysis.
- Funding concentration and diversification analysis.
- Liquidity stress testing and survival horizon.
- Contingency funding planning.
- Workshop: building a liquidity stress test.

Day 4: Currency, Capital, and Regulatory Standards

- Currency mismatch and foreign exchange exposure measurement.
- Net open position and translation risk.
- Capital structure and capital adequacy interaction.
- Basel III liquidity standards: LCR and NSFR.
- Interest rate risk in the banking book requirements.
- ALM reporting and regulatory disclosure obligations.
- Workshop: computing LCR and NSFR for a scenario.

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Day 5: ALM Modelling, Stress Testing, and Governance

- ALM model architecture and assumption setting.
- Behavioural assumptions: prepayment and deposit decay.
- Scenario design and macro stress testing.
- Value at Risk and earnings-at-risk applications.
- ALM policy, limits, and escalation procedures.
- Governance, documentation, and audit readiness.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Asset Liability Management (ALM), participants will gain a thorough understanding of balance sheet structure, interest rate risk measurement, liquidity risk management, currency and capital considerations, Basel liquidity standards, ALM modelling, stress testing, and governance. They will also acquire practical skills in balance sheet and repricing analysis, interest rate risk measurement using gap and duration, liquidity risk management and stress testing, and ALM policy, governance and regulatory reporting. In addition, the course prepares them to manage balance sheet risk with clear evidence and sound control. Gentex Training Center delivers this programme with a strong focus on applied risk technique and defensible ALM decisions.

FAQs for Asset Liability Management (ALM) course

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Q1 What is the "Asset Liability Management (ALM)" course about?

It is a five-day programme on matching balance sheet assets and liabilities to control risk. It covers balance sheet structure, gap analysis, duration and duration gap, earnings and value sensitivity, liquidity risk and stress testing, currency exposure, Basel liquidity standards, and ALM governance and reporting.

Q2 What are the key benefits of the "Asset Liability Management (ALM)" course?

Participants measure balance sheet risk properly and manage it deliberately. The course improves repricing and maturity analysis, sharpens interest rate risk measurement, strengthens liquidity stress testing and contingency planning, improves regulatory compliance with LCR and NSFR, reduces earnings volatility, and raises the quality of ALM committee decisions.

Q3 What skills will I gain from the "Asset Liability Management (ALM)" course?

Participants gain balance sheet and repricing analysis, interest rate risk measurement using gap and duration, liquidity risk management and stress testing, and ALM policy, governance and regulatory reporting. These four skills cover the practical core of asset liability management.

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Q4 What tools, methods, or standards are covered in the "Asset Liability Management (ALM)" course?

The course covers ALM objectives and organisational placement, balance sheet structure and composition analysis, maturity profiling, repricing gap calculation, rate-sensitive asset and liability identification, earnings sensitivity and net interest income modelling, duration, modified duration and convexity, duration gap and equity value sensitivity, basis risk, yield curve risk and option risk, interest rate risk limits and tolerance setting, liquidity risk sources, liquidity ratios and regulatory metrics, cash flow ladders and maturity mismatch analysis, funding concentration analysis, liquidity stress testing and survival horizon calculation, contingency funding planning, currency mismatch and foreign exchange exposure measurement, net open position and translation risk, capital adequacy interaction, Basel III LCR and NSFR computation, interest rate risk in the banking book requirements, ALM reporting and disclosure obligations, ALM model architecture and assumption setting, prepayment and deposit decay behavioural assumptions, scenario design and macro stress testing, Value at Risk and earnings-at-risk application, ALM policy and limits, escalation procedures, and documentation and audit readiness.

Q5 How is the "Asset Liability Management (ALM)" course applied in real-world practice?

Participants apply the methods to their own balance sheets. They analyse maturity and repricing profiles, calculate gap and duration gap, model earnings sensitivity, run liquidity stress tests, compute LCR and NSFR ratios, assess currency mismatches, design scenario analyses, set risk limits, and report to ALM committees and regulators. Many leave with a gap analysis template, a liquidity stress testing model, and an ALM reporting pack structure ready to use.