ITEC-International Programme on
January 4 – 15, 2027

Campus Duration
12 days (two weeks) – 40 hourss

Asset-Liability Management in Banks and Financial Institutions

Programme Director
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Bank Management

ITEC

Introduction

The persistence of conflict can lead to supply chain disruption, exchange rate depreciation and a surge in public debt, in many developing countries. The resultant spike in inflationary expectations may force their central banks to pursue tighter monetary policies. The recent collapse of big banks, in US and Europe, has showed how difficult Asset-Liability Management (ALM) can be, under such conditions. With focus on short-term liabilities and long-term assets for profit maximization, banks and financial institutions were hit by a sudden rise in interest rates and withdrawal of bulk deposits. To pre-empt such issues, stringent Interest Rate Risk and Liquidity Risk Standards were introduced under Basel III. These guidelines may have to be revised, in light of recent events.

The demands on ALM are now manifold. With policy rate volatility across the globe, it is necessary to assess the impact of large rate shocks on NII and net worth. In such an environment, banks also face a number of liquidity risk management problems due to migration of low-cost deposits to capital markets, sudden drawdown of unutilized credit lines and premature withdrawal of term deposits. In order to address such challenges, this Programme will equip participants with advanced tools and concepts for ALM.

Objective

Awareness of ALM challenges; Measurement and Management of Interest Rate Risk in Banking Book and Liquidity Risk; Estimation of capital and liquidity buffers under normal and stressed conditions; Product Pricing and fixation of limits.

Contents

1. **Overview of Asset-Liability Management**
   - Evolution of ALM
   - ALM Challenges in Banks and FIs
   - Macroeconomic volatility: Implications for Financial Stability
2. **Interest Rate Risk in the Banking Book**
   - NII Approach and Earnings-At-Risk
   - Duration Gap Model and EVE Analysis: Basel Guidelines
   - Stress tests: Yield curve, Basis and Options risks
   - Derivatives for IRRBB
3. **Liquidity Risk Management**
   - Structural Liquidity Statements and Gap Limits
   - Behavioral Analysis
   - Scenario analysis and stress tests
   - Basel III Standards
4. **Recent Developments**
   - Funds Transfer Pricing for Loans and Deposits
   - Pricing of Loans and Deposits

Pedagogy

A mix of various methodologies would be used for the programme. These will include lectures, case studies, group projects and bank visits.

Participation

Middle and senior management executives who are involved in the management of ALM system / funds / treasury, etc. of commercial banks or similar functions in financial institutions and investment banks with minimum 5 years' experience. Participants should have adequate working knowledge of the English language.

Faculty

The sessions will be handled by NIBM faculty and senior bankers

A completion / participation certificate would be given to the participant at the end of the programme provided he / she attends the programme for the mandated hours of engagement.

Who Should Attend?

Middle and senior level executives who are involved in the management of ALM system/funds/treasury of commercial banks or similar functions in banks and financial institutions with minimum five years of experience. Participants should have adequate working knowledge of the English language.

Mode

Lectures, case studies, group projects and bank visits

Dates

January 4 – 15, 2027

The participants are requested to report by the evening of January 3rd, 2027 and plan to check-out from the campus latest by 12.00 noon on January 16th, 2027.

Venue

NIBM Campus, Kondhwe Khurd, Pune, India.

Accommodation

The programme is fully residential. Participants will be provided well-furnished, single room AC accommodation in the institute's hostel complex in the campus. However, they would not be permitted to bring their family members to stay in the campus. In case any officer / executive with physical / medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements. The institute has facilities for outdoor and indoor games and a large walking / jogging trail for physical fitness besides a yoga canter. Participants are therefore encouraged to bring appropriate clothes / gear.

Medical Care

NIBM has its own health centre equipped with all the necessary facilities and also a Resident Medical Officer (RMO) staying inside the campus to handle the basic health issues (if any) of the programme participants during their stay in the campus. Programme attendees are free to consult the RMO for any health-related guidance / care. Participants are advised to bring their regular medicines.

Sponsorship by the Ministry of External Affairs, Government of India

Participants of this programme would be sponsored by the Ministry of External Affairs under the ITEC programme. Of the total living allowance approved by the Government of India (GoI), half of this amount will be adjusted against the food and boarding facilities provided by NIBM.

Enquiries

Programme Director

Prof. Sanjay Basu
Professor of Finance, NIBM, Pune

Prof. Sanjay Basu has a Master's Degree and a Ph.D. in Economics. His teaching, training, research and consultancy activities (for more than two decades) are in the domains of Bond Portfolio Management, Market Risk Management, Applications of Game Theory and Contract Theory in Banking and Finance and Asset Liability Management. He has also published several papers, in reputed international journals, in these areas.

Please address your further enquiries to Prof. Sanjay Basu at:

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Enquiries related to accommodation, etc. may kindly be addressed to:

Programme Office

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About the Institute

The National Institute of Bank Management (NIBM), Pune, is a premier academic-cum- training institute for providing research, training and consultancy services to the banking industry and financial institutions both in India and abroad. The institute was established in 1969 as an autonomous body by the Government of India and is supported by the Reserve Bank of India, commercial banks and financial institutions in India.

The institute aims at promoting professionalism in the management of banks and other financial institutions by carrying out the following functions:

- Imparting training and education to bankers both in general and functional management areas.
- Conducting fundamental and applied research on problems concerning the banking industry.
- Providing consultancy and other advisory services to the industry in their problem-solving endeavors.

NIBM currently has around 30 faculty members including the visiting faculty, working in the following area groups (multi-disciplinary approach): (a) Finance, (b) Human Resource Management, (c) Information Technology, (d) Money, International Banking and Finance,

(e) Rural Finance and Development, (f) Strategic Planning, Marketing and Control.

The institute conducts the following major educational and training programmes:

- Top rated management conferences and seminars on policy issues.
- Training programmes in functional and general management areas for senior bank executives from India and other countries.
- Programmes for development of faculty at the banks' training establishments.
- In-company programmes for meeting organization-specific requirements of banks and financial institutions both in India and abroad.
- Conducting AICTE approved Post-Graduate Diploma in Management (PGDM) - Banking and Financial Services to provide to the financial system a pool of talented young executives on a regular basis.

NIBM's faculty has been actively involved in research on various subjects concerning the banking and financial system which has led to more than 100 publications in the form of books and monographs.

The institute also brings out the following quarterly journals in English:

- **Prajnan:** Journal of Social and Management Science (launched in 1972)
- **Vinimaya:** Presents conceptual and practical viewpoints of both bankers and management educationists on issues of bank management in an informal style (launched in 1976)

NIBM has contributed significantly to the development of banking and financial sector in India and other developing countries through its consultancy and policy research activities in diverse areas. It is equipped with an excellent library with more than 65,000 books, 10,000 bound volumes of journals and 2,000 reports of various committees. The library receives more than 240 Indian and foreign academic journals on various subjects of management, information technology, banking and finance.

The campus also has a modern, well-equipped computer service canter to support its academic activities in addition to excellent administrative support facilities for carrying out its activities. These include reprographic services, internet, travel booking arrangements, recreational amenities, etc. Above all, medical care is also provided within the campus.

Reaching NIBM Campus at Pune

- Pune Airport receives a few international flights from Abu Dhabi, Dubai, Sharjah, Thailand, Singapore and Frankfurt. The Chhatrapati Shivaji Maharaj International Airport, Mumbai is the nearest International Airport. Pune is connected by air and rail to major metros like Mumbai, New Delhi, Kolkata, Chennai and Bengaluru. The road drive from Mumbai is an unforgettable experience through the western ghats. Shared taxi services, luxury (AC Volvo) and semi-luxury buses are regularly available from Mumbai airport and Dadar TT (about 15 kms from Mumbai airport). The shared taxi and bus charges are about Rs. 600 (max.) and Rs. 800 (max.) per head respectively. The road journey of 200 kms from Mumbai to Pune normally takes around 3.5 hours. The road map of Pune to guide the arriving participants is given overleaf.
- Pick-up and drop-off arrangements from / to Pune airport (nearest airport) will be arranged by NIBM. Participants are requested to inform us about their travel plans in advance and indicate their arrival time at Pune airport.

Route Map