

“ *Wishful thinking can dominate much of the work of a profession for a decade, but not indefinitely.* ”

**Robert Shiller**

# Treasury Risk Management

A thorough overview of all aspects of modern Treasury Risk Management for front-office, back-office, general management, risk management and auditors.

## OVERVIEW

This course gives delegates a comprehensive overview of the subject of Treasury Risk Management in the modern commercial banking sector, investigates the roots of market, credit and operational risk in treasury operations, and explores how to put in place the measures and controls that will help the bank run a sustainably, profitable treasury business and operating model. It includes a thorough overview of modern financial markets, and the features of the different products that can be used to manage risk on the customer, banking or proprietary trading book. It is especially geared to bankers and institutions in emerging markets, where improvements in the practice of treasury and market risk management are needed to catch up with an increasingly sophisticated financial sector. The Course Instructor has extensive qualifications in all aspects of Treasury Management theory and practice, and the course is enlivened with a set of rich case studies and intensive group work exercises.

## WHO SHOULD ATTEND?

This course is aimed at Treasury Controllers, Internal Auditors, Specialists and Operational Staff with responsibility for treasury, as well as those working in a bank treasury dealing room or dealing with treasury transactions. If you are asking yourself among the following questions, then this course is for you:

- *How can I make sure front-office staff are trading within acceptable limits?*
- *How can I understand the Bank's exposure to financial markets, and decide what represents an acceptable level of risk?*
- *What controls should I put in place to make sure that there is a proper level of separation between front- and back-office*
- *What instruments are available to us, to hedge unwanted market risks for either the bank or customers?*
- *How can Internal Audit provide assurance that the rules are being followed?*
- *What are the different responsibilities of Treasury, and how does management of the banking book, customer book and trading book differ?*
- *How can I make sure Treasury has an effective relationship with the ALCO?*

*sharing knowledge, developing skills*

# OUTLINE

## OBJECTIVES

Participants in this course will come away with:

- An awareness of repercussions from continual global financial turmoil for their bank
- Ideas to enhance the speed and efficiency of local control, processing and settlement of activities in the bank treasury
- An understanding of how to create a pre-emptive control strategy and reduce operating costs, errors, fines and losses
- An ability to build and maintain an effective and supportive relationship between front, back and middle offices
- Practical insights into how to gear the Treasury business and operating model so that it sustainably and safely generates valuable fee income
- Skills to manage the mechanics of risk management procedures, and apply internal audit systems to detect and prevent fraud

## COURSE DELIVERY

- This is a three-day course totaling **21 hours of delivery time**.
- It consists of seven tutorial modules approximately 2 hours each (i.e. a total of 14 hours of instruction).
- A further seven (7) hours of the schedule is dedicated to intensive group work underpinned by the case studies, also facilitated by the instructor.
- All hand-outs and instruction will be in English.
- At least **one-day of development time\*** will be spent on customizing course materials and case studies for the specific requirements of the course.
- Ideally delegates will have at least three years in banking experience. Also a good working knowledge of English is required, and some basic familiarity with the treasury function.
- The high-levels of participative group work on case studies and interactivity during tutorials strictly limits numbers to **no more than 20 participants**.

### TRAINING NEEDS ANALYSIS & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

# OUTLINE

## Module 1: Overview of Financial Markets

- ⇒ Forex and Money Markets; Securities & Capital Markets
- ⇒ Central Bank Influences
- ⇒ Changes in the Market Place
- ⇒ Repercussions and lessons from current global financial turmoils
- ⇒ The Foreign Exchange Market
- ⇒ Role of Banks Within the Financial Marketplace

## Module 2: Market Participants Roles and Responsibilities

- ⇒ Int'l & Multinational Agreements and Financial Instruments
- ⇒ LIFFE-Euronext, DDL-ISDA, FRABBA, LICOM
- ⇒ Users of the Market: Banks as 'Market Makers'
- ⇒ Setting LIBOR
- ⇒ Regulatory Framework
- ⇒ Individual bank's perspective
- ⇒ National and global supervision by central banks
- ⇒ International Credit Ratings
- ⇒ Moody's, S & P, Fitch-IBCA
- ⇒ Features & Agency Ratings

## Module 3: Treasury Operations

- ⇒ Back Office Functions
- ⇒ Confirmations – General Procedures
- ⇒ Nostro/Vostro Accounts:
- ⇒ Reconciliation
- ⇒ Settlement
- ⇒ Controls

## Module 4: Treasury Structure

- ⇒ Policies, organisational structures and skills
- ⇒ Essential Features of Effective Internal Control
- ⇒ Fraud Prevention & Detection
- ⇒ Separation of Duties
- ⇒ Dealing Room (Front Office) v Back Office v Middle Office
- ⇒ Role of internal audit functions and systems
- ⇒ Special monitoring and auditing of electronic payments and transactions

## Module 5: Treasury Risk Management

- ⇒ Country Risk, Credit Risk, Market Risk & Liquidity
- ⇒ Limits and Control Aspects of Treasury Operations and Systems
- ⇒ Set-Up and Open Position
- ⇒ Excess Reports
- ⇒ Mismatch Ladder & Reports
- ⇒ Risk Management strategy
- ⇒ Returns & Reporting

## Module 6: Money Market Instruments

- ⇒ Inter-Bank Deposits (Placings)
- ⇒ Treasury Bills; Certificates of Deposit
- ⇒ Bankers' Acceptances
- ⇒ Commercial Paper Issue
- ⇒ Sub-Markets – Federal funds – Repos

## Module 7: Raising Capital:

- ⇒ Choices & Demystifying the Jargon
- ⇒ Fees & Rewards: Value-Added Service
- ⇒ Pricing: Risk & Reward
- ⇒ Pricing: Rate of Return

# DETAILS

## FREE TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate, to make a tangible improvement to policy and practice in their own bank.

This course includes:

- ➔ **A Market Risk Policy model template**
- ➔ **A spreadsheet of various market risk measurement models**
- ➔ **A sample Treasury Management Manual**
- ➔ **A sample list of well-established Key Risk Indicators for Market Risk**
- ➔ **A sample Internal Audit checklist for inspecting Treasury Operations**

**EARLY BOOKING DISCOUNT!**  
SCHEDULE A COURSE BEFORE THE  
31<sup>st</sup> OF JULY 2015 FOR A 10%  
DISCOUNT ON COURSE FEES.

## TERMS & CONDITIONS

Total fee cost for the off-site delivery of the three-day course as described is US\$ 11,500 (eleven thousand, five hundred United States Dollars). This is EXCLUSIVE of:

- Flights (discounted business class);
- Accommodation (min. 4★) for every night required off-site;
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course on-site at or near our London headquarters for an all-inclusive fee of US\$ 11,500 including VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants.

A 60% deposit is payable one-month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings of the stand-alone course or other courses within the same programme.

For more information or to arrange a booking, please contact Mike Coates at:

[michael.coates@gbrw.com](mailto:michael.coates@gbrw.com)

**Note: Terms and Conditions valid until 31<sup>st</sup> July 2015**

# INSTRUCTOR



**Greg Karaian FCIB**  
Associate Trainer,  
GBRW Learning

Greg is a senior banker with 30 years experience in many different branches of banking and in several countries. He occupied senior positions with Barclays Bank Group UK including postings to Zambia, Sierra Leone, Greece & Cyprus.

Since 1993, as an Independent Consultant, he has lectured & presented papers on many topics, including Risk Management in Bank Treasury Operations, Foreign Currency Operations, Securities & Capital Markets, Documentary Letters of Credits, International Trade Finance, and Internal Audit & Inspection for Banks.

Greg has run banking training workshops in many countries including Armenia, Cyprus, Hungary, Jordan, Kazakhstan, Kuwait, Poland, Russia, Ukraine and Zambia. He has worked for many prestigious bank training academies, most notably the Chartered Institute of Bankers.

In Lithuania, for an EC-PHARE programme, Greg provided consultancy to the Bank of Lithuania (central bank) on Electronic Clearing and Payment Systems. In Cairo, he provided consultancy & training for the EU's 2005/06 Technical Assistance & Capacity Building Programme to the Egyptian Banking Sector. In Papua New Guinea, Greg provided Treasury & ALM/ALCO consultancy & training for the IFC-World Bank 2008/09 Institution Building Programme to PNG Microfinance Ltd.

## ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

For more information, visit our website at:

<http://www.gbrw.com/training>

To discuss your specific requirements email us at:

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