

Funds Transfer Pricing

Date: October 28-29th 2019
Venue: Kosovo Banking Association

COURSE OVERVIEW

This Programme is designed to give participants a comprehensive understanding of the key practical aspects of Funds Transfer Pricing in banks.

The intensive and interactive 1 ½ day course will be delivered by a combination of lectures, class discussion, case studies and both individual and team exercises.

Note: the following is an indicative course outline, which is subject to change.

DAY I, 28 OCTOBER 2019

A.M.

Introductions

- Introduction
 - The Profit and Loss Account – The recognition of income in a bank
 - The basic concept of FTP
 - The relevance and purpose of FTP
- Components of product pricing
- The yield curve
- The liquidity premium
- The FTP mechanism – ‘a bank within a bank’:
 - Centralisation of balance sheet risk exposures
 - The role of the bank’s treasury in the FTP system
- Real versus notional deals:
 - Application of FTP across legal entity and jurisdictional boundaries

P.M.

- Methodologies for establishing FTP rates:
 - Zero, average and marginal cost of funds
 - Primary and secondary market funding costs
- Determination of FTP conventions:
 - Contractual versus behavioural maturities
 - The role of modelling

- Examples of FTP conventions adopted by banks
- Who decides on the FTP conventions? The need for an effective governance framework
- Treasury as a profit centre or cost centre – mid-rates or buy/sell spreads?
- Level of application of the FTP system:
 - Account level
 - Product level

DAY II, 29 OCTOBER 2019

A.M

- Using the FTP system to Influence customer and business unit behaviour
- Transfer pricing the cost of the liquidity buffer
- Typical vulnerabilities in bank FTP practices
- Best practice transfer pricing principles (from a regulatory perspective)
- What are Minimum Reserves, Main Refinancing Operations and the Stressed Liquidity Buffer?
 - Why do banks need to hold/use them?
 - How should they be treated from a funds transfer pricing perspective?
- Course summary and closing remarks

Course summary and closing remarks

DAILY SCHEDULE

09:00 – 10:30	Training
10:30 – 10:45	Coffee break
10:45 – 12:00	Training
12:00 – 13:00	Lunch break
13:00 – 14:30	Training
14:30 – 14:45	Coffee break
14:45 – 16:30	Training
16:30	End of day ☺

TARGET GROUP

The target audience will be experienced professionals in Treasury Senior Management, Heads of ALM / Money Markets, Asset-Liability Committee (ALCO) Members, Finance Senior Management, Risk Senior Management, Balance Sheet/ALM Managers, Liquidity Policy Managers, Internal Auditors, Regulators/Supervisors, Policy Analysts in Central Banks, Systems Analysts (who may be required to design FTP systems).

As this is an interactive course, delegates should be able to speak with authority about their own institution's

practice, policies and express views on market regulation. A good command of English is required.

COURSE INSTRUCTOR

Chris Westcott has had over 30 years of experience in the banking industry, with the majority of time spent working in the U.K. in the field of treasury management.

He has held a range of senior positions in the Treasury functions of both Nat West and RBS. These have included divisional 'Treasurer' roles and various project assignments, such as leading the development of an in-house securitisation capability and the integration of the ABN AMRO treasury function post-acquisition.

More recently, in the lead-up to the implementation of the European Capital Requirements Directive IV, Chris was the Basel 3 Programme Director for RBS, accountable for overseeing the group-wide set of projects to achieve compliance with the new regulations.

Chris is currently Head of Faculty for Bank Treasury Risk Management (BTRM), the world's first practitioner developed and practitioner orientated professional qualification in bank asset-liability management. He is also a Visiting Lecturer at the University of Hertfordshire in the UK.



REGISTRATION

Send your filled registration forms via email at KBA, or contact us at:
kbatrainingcenter@bankassoc-kos.com or **038 246 171**