

Interest Rate Risk in Banking Books (IRRBB)

**TREASURY CONSULTING PTE LTD (A SINGAPOREAN MULTINATIONAL GROUP)
MOVING TOWARDS \$ 10 MILLION CORPORATE VALUATION**

Interest Rate Risk in Banking Books (IRRBB)

About Treasury Consulting Group: Treasury Consulting Group is a Singaporean Multinational Group having headquartered in Singapore. As a Group we are having Business Interest in 8 Business Verticals, 44 Business Domains. Company is having Offices in both Singapore, India and serving 75+ Global Clients, 100+ Domestic Clients. We are an Intellectual Property Company whereby owned our IP –“ www.fixedincome.global “(World’s First Fixed Income Platform)

Sitting today we are having interest in Trainings, Publications, Digital Marketing, Financial Markets, Information Technology (IT), Accounting, Audits, Corporate Law, Compliance Desk, Valuation Desk, Chief Financial Officer (CFO) Desk, Treasury Consulting Chapters and respective. As a Group we are serving *United States (US), Canadian, Markets, Australia & New Zealand (ANZ), Asia Pacific Financial Markets (Singapore, Hong Kong, Philippines, Malaysia), OPEC Markets (Saudi, Iran, Dubai, Bahrain) and Indian Markets.*

Treasury Consulting Group is a Cash Rich Group Whereby Surplus Cash invested with 7 out of Top 10 Mutual Funds in India and Singaporean Entity investing Surplus Cash with G7 Banks. Group is investing Surplus Cash in all Fixed Income Instruments like Structured Products, Equity Mutual Funds, Debt Mutual Funds, Duration Mutual Funds, CD, CP and respective Products. As a Corporate we are Banking with G7 Banks like DBS Singapore and adding more foreign banks in our panel. Sitting today we are acting as a Cash Rich entity, 0% Debt, 0% Funding from VC/PE and we would continue to maintain this status till 2023.

In April'18 Treasury Consulting LLP (India) – Indian Subsidiary Awarded amongst Top 50 Internationally Growing Companies in India by IE20, London Partners.

Treasury Consulting Pte Ltd would be adding International Subsidiaries like Dubai (2019), Australia (2020), Mauritius (2021) and Luxembourg (2022)

Objective of the Course – Interest Rate Risk in Banking Book (IRRBB)

Objective of the Course: Interest rate risk in the Banking Book (IRRBB) is the risk to earnings or capital arising from movement of interest rates. It generally arises from

- Repricing risk, risks related to the timing mismatch in the maturity and repricing of assets and liabilities and off-balance sheet short and long-term positions
- Basis risk, risks arising from hedging exposure to one interest rate with exposure to a rate which reprices under slightly different conditions
- Yield curve risk, risks arising from changes in the slope and the shape of the yield curve
- Optional risk, risks arising from options, including embedded options, e.g. consumers redeeming fixed rate products when market rates change

Excessive levels of interest rate risks in the banking book can pose a significant threat to an institution’s earnings and capital base. Accordingly, effective risk management that maintains interest rate risks at prudent levels is essential to the safety and soundness of banking institutions.

¥ **Targetted Audience :**

- Chief Executive Officers (CEO)
- Chief Financial Officers (CFO)
- Corporate Treasurers
- Corporate Controllers
- Accounting Heads
- Treasury Teams
- Bankers
- Front Desk Traders
- Proprietary Traders
- Chartered Accountants (CA)
- Master in Business Administration (MBA)

Interest Rate Risk in Banking Books (IRRBB)

Course Content – Interest Rate Risk in Banking Books (IRRBB)

¥ Module 1: - Overview of Regulatory Landscape

- Basel III Standards
- New MAS Guidelines
- Pillar II Capital @ ICAAP Framework
- 6 Interest Rate Scenarios – Economic Value of Equity (EVE), Net Interest Income (NII)

¥ Module II: - IRRBB – Metrics

- Delta EVE
- Delta NII
- Gap Measurement
- Duration Measurement
- Parallel Shocks (II Shocks)
- Dynamic Simulations

¥ Module III: IRRBB – Hedging Metrics (Deliverable Metrics)

- Introduction to Onshore Interest Rate Hedging
 - Interest Rate Hedging - Principal Only Swaps (POS)
 - Interest Rate Hedging - Coupon Only Swaps (COS)
 - Interest Rate Hedging - CCIRS
- Interest Rate Hedging - Dollarization Swaps
 - Conversion of Local Currency Assets / (Liabilities) into \$ Assets / (Liabilities)
- Interest Rate Hedging - Reverse Dollarization
 - Conversion of \$ Assets / (Liabilities) into Local Currency Assets / (Liabilities)
- Interest Rate Hedging - Over Night Index Swaps (OIS)
 - Conversion of Floating Rate Liability into Fixed Rate Liability
 - Conversion of Fixed Rate Liability into Floating Rate Liability

¥ Module IV: IRRBB – Hedging Metrics (Non-Deliverable Metrics)

- Introduction to Onshore Interest Rate Hedging
 - Interest Rate Hedging - Principal Only Swaps (POS)
 - Interest Rate Hedging - Coupon Only Swaps (COS)
 - Interest Rate Hedging - CCIRS
- Interest Rate Hedging - Dollarization Swaps
 - Conversion of Local Currency Assets / (Liabilities) into \$ Assets / (Liabilities)
- Interest Rate Hedging - Reverse Dollarization
 - Conversion of \$ Assets / (Liabilities) into Local Currency Assets / (Liabilities)
- Interest Rate Hedging - Over Night Index Swaps (OIS)
 - Conversion of Floating Rate Liability into Fixed Rate Liability
 - Conversion of Fixed Rate Liability into Floating Rate Liability

¥ Module V: - Economic Value of Equity (EVE) Scenarios

- Own Equity Excluded
- Margin Excluded
- Margin Excluded
- Spread Flows Included
- Spread Flows Excluded

¥ Module VI: - Hedging Strategies

- Dollar Swaps
- Reverse Dollar Swaps
- Forward Rate Agreement (FRA)
- Overnight Index Swaps (OIS)
- Non Deliverable Dollar Swaps
- Non Deliverable Reverse Dollar Swaps

Interest Rate Risk in Banking Books (IRRBB)

¥ **Module VII: - Implementation for IRRBB @ Banks**

- ☐ IRRBB Systems & Processes
- ☐ Internal Reporting Practices
- ☐ IRRBB disclosures requirements
- ☐ IRRBB @ Net Overnight Open Position (NOOP)

¥ **Module VIII: - IRRBB – Interest Rate Shock Scenarios**

- ☐ Parallel Shock Up
- ☐ Parallel Shock Down
- ☐ Steepener Shock
- ☐ Flattener Shock
- ☐ Short Rate Shock Up
- ☐ Short Rate Shock Down

¥ **Module IX: - Implementing IRRBB @ Banks**

- ☐ IRRBB Elements
- ☐ Governing Body
- ☐ Risk Appetite
- ☐ IRRBB Measurement
- ☐ Measurement Systems
- ☐ Reporting
- ☐ Disclosures
- ☐ Capital Adequacy for IRRBB
- ☐ Information Collection
- ☐ Regular Assessments
- ☐ Identification of Outlier Banks

- ☐ **Course Content:** Course would be covered using live Thomson Reuters, Bloomberg, Advanced Order Management Systems (OMS) like – Meta Trader 4 (MT4), Meta Trader 5 (MT5), Excel Financial Models. Course also includes.

- ☐ Research Reports from G7 Banks
- ☐ Case Studies
- ☐ Excel Solvers

- ☐ **Duration:** Course Duration is 50 Hours

- ☐ **Pricing:** Pricing is Rs 75,000. 5% Discount if 2 Participants join, 8% if 3 Participants and 10% if more than 3 Participants joined from same Corporate, Bank, Financial Institution.

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Trainers Profile

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Corporate Profile- Group Chief Executive Officer (CEO)/Ex Group Corporate Treasurer:

- ☐ Currently acting as a **Group Chief Executive Officer (CEO)** of **Treasury Consulting Pte Ltd**. A Singaporean Multinational Group having interest in 8 Business Verticals, 44 Business Domains. Treasury Consulting Pte Ltd owned Intellectual Property (IP) – www.fixedincome.global (World's first Fixed Income Platform). Treasury Consulting Pte Ltd to add International Subsidiaries like Dubai (2019), Australia (2020), Luxembourg (2021) and Mauritius (2022)
- ☐ Treasury Consulting Pte Ltd serving 75+ Global Clients, 100+ Domestic Clients. Covering Markets like *United States, Canadian Financial Markets, European Union, Australia & New Zealand (ANZ), Asia Pacific Financial Markets, Japanese, OPEC, African & Indian Markets*. Treasury Consulting awarded amongst Top 50 Internationally Growing Companies in India by IE 20, London Partners during April 2018.
- ☐ **Ex Group Corporate Treasurer** of United States, India based Information Technology Enabled Services (ITES) and Information Technology (IT) Companies like EXL Service Holdings, Inc. (*United States*), HCL Technologies Limited (*4th Largest IT Exporter*) at Group Level. Handled Front Office, Middle Office, CFO Office and Risk

Treasury Consulting Group – A Singaporean Multinational Group (\$ 5 Million Valuation)
An Asia Pacific Trainings, Consulting, Publication, Analytics, FI, Technology Implementation Group
www.treasuryconsulting.in, www.fixedincome.global

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Office at Group level covering 35+ Group entities at EXL, 75+ Group entities in HCL Technologies Limited respectively.

- ❑ Holding more than decade experience as a Group Corporate Treasurer. Awarded amongst Top 20 Corporate Treasurers in 2014 by CFO India Institute. Won several CFO Awards during Corporate Career in EXL, HCL.

Treasury Consulting Pte Ltd – Intellectual Property (IP):

- ❑ Treasury Consulting Pte Ltd owned **Intellectual Property (IP)** – www.fixedincome.global (World's first Fixed Income Platform). Sitting today Fixed Income Platform have 27 Desks covering Foreign Exchange (FX), Fixed Income (FI), Credit Risk, PPP Desk, Structured Derivatives, Bonds Desks. By Sep'18 we would be having 40 Desks, By Sep'19 having 75 Desks, By Sep'20 having 100 Desks and keep counting.
- ❑ Treasury Consulting Pte Ltd founded Brand – “**Foreign Exchange Maverick Thinkers (FEMT)**” serving millions of professionals across Globe using IVELEAGUE Platforms like LinkedIn, LinkedIn Clubs, You Tube Channel, Daily Motion, Metacafe, Google Groups, Treasury Consulting Club – “The Mavericks” and respective Platforms.

Trainer Profile:

- ❑ Acting as a Trainer at Global level covering entire Asia Pacific Markets. Rahul doing Trainings for Educational Institutions, Corporates, Banks, Financial Institutions (FI), Non-Banking Financial Corporations (NBFC), Governments, Ministries, Income Tax Authorities, Revenue Officers and respective forums. Treasury Consulting Pte Ltd do offers more than 150 Trainings Programs which we would increase to 200 by Dec'18 and 350 by Dec'19
- ❑ Rahul regularly imparts Trainings in Singapore, Philippines, Hong Kong, Thailand, Indonesia, Dubai, Saudi Arabia, African and India respectively. Treasury Consulting Pte Ltd do holds physical class room as well as Online facilities (linked with requisite Software's) in Singapore, India respectively.

Money Manager:

- ❑ Rahul is also a well approved Money Manager covering all Assets Classes like Foreign Exchange (FX), Fixed Income (FI), Structured Derivatives, Interest Rate Derivatives (IRS), Energy Derivatives, Weather Derivatives. His Fixed Income Portfolio is listed on www.kristal.ai and would soon available at www.fixedincome.global
- ❑ Rahul's Portfolios are available for both International, national investors covering Plain Vanilla, Structured, Exotic Portfolios. Treasury Consulting Pte Ltd would continue to add more **Assets Classes** in Portfolios.
- ❑ Treasury Consulting Pte Ltd do managed \$ 480 Billion **Assets Under Management (AUM)** under Private Placement Programs (PPP) Desk covering all Assets Classes like Letter of Credit (L/C), Bank Guarantees (BG), SBG, SBLC, DPLC and respective. Envisaged to have \$ 1 Trillion Desk by Dec'19

Writer, Author, Speaker:

- ❑ Rahul wrote his maiden book – “**Options for Risk Free Portfolios**” published by Maclaren Palgrave in June'13 in NY. His 2nd Book – “**Techniques to Hedge Interest Rate Exposures**” to publish in Sep'18 in Singapore, United States.
- ❑ He also acts as a Speaker covering Conferences, Seminars, Workshops for various forums across the Globe. Won more than 80+ Mementos, Awards covering respective events.

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Trainers Profile
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Group Chief Executive Officer (CEO) - **Treasury Consulting Pte Ltd**
Ex Group Corporate Treasurer – **EXL Service Holdings, Inc. (United States)**
Ex Corporate Treasurer – **HCL Technologies Limited**
Private Placement Platform (PPP) Trader – **Treasury Consulting PPP Desk (Singapore)**
Editor in Chief – **“The Maverick Treasurer ”, “The Fraudster”**
Writer, Author, Trainer, Technical Speaker, Motivational Speaker, Angel

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