

19th Annual

Liquidity Management

Drive optimisation of liquidity metrics such as intraday liquidity in light of pressure coming from other risk and capital measures

London, UK

11th –13th March 2020

 Conference Workshop 11th March 2020

Workshop A

Anticipate change driven from the reform of the benchmark rate in treasury

Led by:

Navin Rauniar

Director

Quantico Consulting

Workshop B

Intraday liquidity from a corporate customer perspective

Led by:

Ashley T. Dowson

Chairman

SEPA Consultancy

Attending This Premier **marcus evans** Conference Will Enable You to

- **Apply** analytics to understand trends driving retail and corporate customer behaviour and impacting liquidity levels
- **Set up** adequate HQLA for liquidity buffers in the markets business with consideration to initial margin and NSFR
- **See** how banks are reporting liquidity to the lowest level of entity and using data from reports to steer liquidity plans and pricing
- **Manage** intraday liquidity and measure real-time cash in the context of instant payments
- **Update** recovery plans through ILAAP and ICAAP stress testing ensuring both holding and nostro entities are optimised

Sponsors



HITACHI
Inspire the Next

“With the help of **regulation** banks are **controlling liquidity** levels effectively but, are they **managing liquidity** optimally?”

marcusevans

Expert Speaker Panel

Gunar Schramm

Global Head of Liquidity and Treasury Reporting and Analysis

Deutsche Bank AG

Federica Bersani

Head of Group Liquidity, IRRBB and ALM

Mediobanca

Vincent Caillon

Group Intraday Treasury

Societe Generale

Andrew Dolan

Executive Director Intraday Liquidity

JP Morgan

Michael Gregory

Head of Treasury

Commonwealth Bank

Philipp Mayer

Head of Balance Sheet

Risk Management

Raiffeisen Bank International AG

Volker Leistikow

Head of Treasury Risk EMEA,

Managing Director

State Street

Sergey Kharinov

First Deputy Head of Internal Treasury

Russian Agricultural Bank

Alper Tanyer

Vice President, Liquidity Management

Akbank

Ryan Rossam

Senior Manager, Liquidity

Management, Treasury

Standard Bank

Steven Chisholm

Head of Liquidity Strategy

and Optimisation

Standard Chartered

Amit Kalayanaraman

Head of Liquidity Risk (UK)

Credit Suisse

Patrice Edelmann

Asset Liability Management, Treasury

Raiffeisen Schweiz

Christian Hasenclever

Leader, Strategic ALM, Treasury

Nord LB

Christopher Skak Nielsen

Head of Liquidity and Capital

Risk Management

Danske Bank

Mirjana Haluga

Head of Liquidity and

Investment Group

Erste Bank

Holger Westermann

Head of Liquidity Risk Analysis

and Reporting

Commerzbank

Massimo Pedroni

Senior Partner

Prometeia

Mario Mendia

Senior Vice President, Capital Markets

and Treasury

TAS Group

Suranjan Som

Vice President Financial Services

Hitachi Vantara

Henry Lin

Senior Risk Consultant

QRM

Savaiz Khawaja

CRM

QRM

Thursday 12th March 2020

08.30 Registration and Coffee

09.00 Opening Address from the Chair

APPLY ADVANCED BEHAVIOURAL ANALYTICS IN THE BANKING BOOK TO ENHANCE LIQUIDITY PLANS

09.15 **Case Study**

Prepare and predict for large liquidity movements coming from NMDs and Prepayments

- Spotting trends and patterns in behaviour to better manage liquidity
- Applying data analytics and machine learning to understand movement
- Analyse clusters of behaviour by region and other economical variables

Federica Bersani

Head of Group Liquidity, IRRBB and ALM
Mediobanca

10.00 **Developing an Optimized Funding Plan**

- Incorporating a firm's risk appetite with a special focus on Liquidity and funding plans

Henry Lin

Senior Risk Consultant
QRM

Savaiz Khawaja

CRM
QRM

10.45 **Refreshme**

11.15 **Increase data on customers for further visibility to accurately forecast liquidity**

- Better understand liquidity in the banking book through data: Cash flow forecasting
- Know your customer: Analyse the profile of your customer particularly in relation to stickiness
- What is the industry doing to enrich the data they have on customers
- Work with account managers for increased information on your corporate customers
- Taking advantage of historical data alongside other market data

Sergey Kharinov

First Deputy Head of Internal Treasury
Russian Agricultural Bank

12.00 **The regulatory liquidity stress testing in Europe: The LiST**

- Main characteristics of the exercise
- The experience of Prometeia in supporting the European banks
- Key findings and results
- Implications and lessons learnt for liquidity risk management

Massimo Pedroni

Senior Partner
Prometeia

12.45 Lunch

13.45 **In-depth housekeeping of liquidity levels in the banking book**

- See how 24/7 banking and increased accessibility to liquidity has changed behaviour
- How can this new age be managed from a liquidity perspective
- Understand interest rate risk alongside liquidity risk
- Optimise the internal banking book balance sheet
- Scrutinise where you are being generous: Technical approach to calculating HQLA

Mirjana Haluga

Head of Liquidity and Investment Group
Erste Bank

TRANSACTIONAL LEVEL HQLA MANAGEMENT IN THE MARKETS BUSINESS WITH CONSIDERATION TO NSFR AND INITIAL MARGIN

14.30 **Manage liquidity constraints on a transaction level in the markets business**

- Importance of granular management of liquidity for derivatives give the unique nature of each trade

The session continues on the next column

- What metrics are impacting the set up on liquidity buffers in the markets business?
- Pressure coming from FRTB and BB risk transfer
- Considering liquidity usage in the markets business: Leverage ratio, NSFR, initial margin

Christian Hasenclever

Leader, Strategic ALM, Treasury
Nord LB



PANEL DISCUSSION

15.15 **Impact of FRTB and initial margin on liquidity management**

- Collateral optimisation in the derivatives business
- Placing initial margin for counterparties: Need to hold the bigger position with bond
- Cost attached and HQLA buffer required
- Hedging required to have the right liquidity

Steven Chisholm

Head of Liquidity Strategy and Optimisation
Standard Chartered

16.00 **Refreshme**

USE LIQUIDITY REPORTS AT THE LOWEST LEVEL OF LEGAL ENTITY TO GUIDE LIQUIDITY PLANS AND PRICING

16.30 **How granular reporting supports a granular buffer set up**

- Taking advantage of reporting by using your reporting for data analysis
- Avoid merely producing templates: Control and manage liquidity in the business, region, legal entity
- Beneficial treatment of LCR down to cluster level: Find out where is the drag
- Finding where the inefficiencies are and reevaluating the BS to bring LCR and NSFR down to business unit level
- How granular reporting pushes identification of risk drivers at desk, currency and legal entity level

Gunar Schramm

Global Head of Liquidity and Treasury Reporting and Analysis
Deutsche Bank AG

17.15 **Case Study**

Design a method to achieve liquidity optimisation

- Look for inefficiencies by reviewing structure of balance sheet and business model
- Steering the business activity for both liquidity and funding and drive risk based measures and capital
- Address what is giving HQLA, scrutinise what is hurting your LCR and push funds through FTP
- Deploy optimal models for diverse business mix: Central management versus portfolio level
- Achieve as much alignment as possible particularly with two binding constraints

Philipp Mayer

Head of Balance Sheet Risk Management
Raiffeisen Bank International AG

ASSESS THE LIQUIDITY REPORTING HORIZON AND WHAT THIS MEANS FOR DATA



ROUNDTABLE DISCUSSION

18.00 **Roundtable One**
Discuss how the industry has got on with reporting NSFR from 2020 till present

Roundtable Two
Address global liquidity reporting alongside local reporting and the challenge to align the two

Roundtable Three
Benefits of acquired granular data from reporting and the overlay of scenarios tested

19.00 Closing Comments from Chair and End of Day One

Friday 13th March 2020

08.30 Registration and Coffee

09.00 Opening Address from the Chair

IMPACT OF INSTANT PAYMENTS ON MANAGING INTRADAY LIQUIDITY AND MEASURING REAL-TIME CASH

09.15 **Case Study**

Intraday liquidity management: Instant payments and Target II system data

- Prepare for real time liquidity payments in treasury and understand the role TIPS plays to support
- Challenge of predicting pattern of spend given banks are dealing with a new payment method
- Judge how much liquidity can be reinvested versus kept available for instant payments
- Monitor intraday liquidity in real time and optimise clearing and settlement to fulfil immediate payments

Andrew Dolan

Executive Director Intraday Liquidity
JP Morgan

10.00 **Active Intraday Liquidity Management**

- Data sourcing
 - Payments and securities
 - Opportunities with GPI and ISO 20022
- Forecasting challenges: contractual and non-contractual
- Real time intraday
 - Cash Collateral and Liquid Assets
 - Limits control
 - Intraday credit measurements

Mario Mendia

Senior Vice President, Capital Markets and Treasury
TAS Group

10.45 **Refreshme**

11.15 **Consider end of day liquidity when decision making throughout the day**

- What kinds of decisions should banks be making around intraday liquidity throughout the day?
- Ensure your bank has a large enough liquidity dedicated to instant: Forecasting liquidity
- Working towards that end of day cut-off: Address real time cash in local and nostro accounts
- Managing intraday liquidity in stressed situations: Intraday in contingency funding plans
- Trading the intraday

Vincent Caillon

Group Intraday Treasury
Societe Generale

12.00 **Intraday liquidity management and pricing**

- Measurement and stress testing of intraday liquidity
- Intraday liquidity management and its costs
- How client behaviour contributes to the intraday liquidity exposure
- Intraday liquidity and FTP
- How to price and explain intraday charges to clients

Holger Westermann

Head of Liquidity Risk Analysis and Reporting
Commerzbank

12.45 Lunch

Who Should Attend

From Bank | Heads of:

- Liquidity Management/Risk
- Balance Sheet Management
- Asset Liability Management
- Funds Transfer Pricing
- Treasury

OPTIMISE RECOVERY PLANS FOR LOCAL AND NOSTRO ENTITIES IN LINE WITH STRESS TESTING

13.45 **Case Study**

Moving liquidity to optimise entities and avoid trapped liquidity

- Optimise constraints in every entity
- How should recovery plans be aligned for nostro account? What are the challenges here?
- How can you ensure each entity is optimised and there is no trapped liquidity?

Christopher Skak Nielsen

Head of Liquidity and Capital Risk Management
Danske Bank



PANEL DISCUSSION

14.30 **Stress test tolerance levels for liquidity during a time of political uncertainty**

- Stress tested scenarios for more data to better understand your banks' liquidity threshold
- Should banks start to think about effective liquidity management during times of economic downturn?
- Taking into account ILAAP into recovery plans and addressing this alongside ICAAP
- Prolonged resolution framework considering capital and liquidity measures

Amit Kalayanaraman

Head of Liquidity Risk (UK)
Credit Suisse

Volker Leistikow

Head of Treasury Risk EMEA, Managing Director
State Street

Michael Gregory

Head of Treasury
Commonwealth Bank

15.15 **Refreshme**

15.45 **Liquidity transfer pricing in an negative interest rate environment**

- Developments of negative interest rates in Switzerland
- Managing liquidity buffers with an exemption threshold on central bank sight deposits
- Impact of negative interest rates and the central bank tiering system on internal liquidity transfer pricing
- Pricing retail and wholesale client deposits accordingly

Patrice Edelmann

Asset Liability Management, Treasury
Raiffeisen Schweiz

16.30 **Liquidity management in high volatility environment**

- Turkish economy since GFC
- Unorthodox policy tools of CBRT (Central Bank of The Republic of Turkey)
- Optimising local currency and FX cash flows under these tools
- Daily liquidity management in highly volatile interest rate environment

Alper Tanyer

Vice President, Liquidity Management
Akbank

17.15 Closing Comments from Chair and End of Day Two

Interactive Conference Workshop

Wednesday 11th March 2020

08.30 Registration and Coffee

09.00 Workshop Leader's Introduction and Opening Remarks

WORKSHOP A: ANTICIPATE CHANGE DRIVEN FROM THE REFORM OF THE BENCHMARK RATE IN TREASURY

09.15 **Understanding the scope and risks of IBOR across the treasury function and beyond**

- The core G7 currencies
- Beyond the G7 currencies
- Backward vs. forward looking rates
- Methodologies and jurisdictions
- Global progress – EU versus UK versus US
- Model & Product Governance for Treasury

Led by:

Navin Rauniar

Director

Quantico Consulting

10.45 **Refreshme**

11.15 **Understand how the move to a risk free rate impacts P&L volatility management and hedge accounting**

12.00 Lunch

WORKSHOP B: INTRADAY LIQUIDITY

13.30 Workshop Leader's Introduction and Opening Remarks

13.45 **Intraday liquidity from a corporate customer perspective**

- Feedback from global corporations
- Cash management v ILM language barrier
- Expectations of Corporate Treasurers
- A picture paints a thousand words
- Immediate payments v end-of-day processes
- Internal payments, netting & pooling

15.15 **Refreshme**

16.00 **Intraday liquidity from a corporate customer perspective**

- ACH, cheques and the Supply Chain
- New players and technologies

Led by:

Ashley T. Dowson

Chairman

SEPA Consultancy

16.30 Closing Comments from Workshop Leader

Testimonials

"It was a good conference"

Sberbank

"Insightful and well organised"

ABN AMRO

'Very interesting and useful conference covering the key topics in liquidity risk managers' minds. I particularly enjoyed the interactions with the various participants.'

State Street

Business Development Opportunities

Does your company have services, solutions or technologies that the conference delegates would benefit from knowing about?

If so, you can find out more about the exhibiting, networking and branding opportunities available by contacting:

Adnan Quazi, Business Development

marcus evans London

Tel: **+44 (0) 20 3002 3002**

E-Mail: AdnanQ@marcusevansuk.com

Sponsor Profiles



Prometeia is a global provider of software solutions and consulting services in the Risk, Regulatory and Performance Management space. Since 1974, we supply highly specialized advisory, analytical tools and research programs, integrating quantitative models, market and customer data, financial and economic scenarios. With 800+ industry experts, we serve over 300 financial institutions in 20 countries, through a consolidated network of foreign branches and subsidiaries located in Europe, Africa and the Middle East. Prometeia's approach to Enterprise Risk Management is based on the development of quantitative models and advanced analytics. The design of highly specialized software solutions combines cutting-edge technologies and data science techniques with the knowledge of our subject matter experts and our ability to successfully respond to the growing demands of international regulation. Our deep understanding of financial markets, derived from proprietary economic research, adds a unique element to Prometeia's business model and value proposition.

QRM

Quantitative Risk Management

Quantitative Risk Management (QRM) is the world's premier enterprise risk management consulting firm. QRM develops industry-leading risk management principles, practices, and models, and provides clients with the advice, knowledge, and tools necessary to leverage those innovations into higher risk-adjusted returns. Since 1987, we have partnered with our clients to enhance their ability to measure risk, identify profitable opportunities, and make sound financial decisions. With offices in Chicago, London, and Singapore, QRM has established over 250 long-term engagements with top financial institutions from the banking, finance, and insurance industries worldwide.



TAS Group has been leading the way in financial technology for over 35 years, providing secure, high-performance software to the Financial Community. In the area of Capital Markets we have built a solid reputation for flexible, integrated solutions covering Liquidity management, Trading, Post Trade and Compliance that provide innovations to the market and comply with the very latest regulations and guidelines. Building on our deep knowledge gained working also for the Eurosystem, we are now focusing on Intraday liquidity Management and RTGS Migration to ISO 20022, for which we have been selected to help over 40 banks in 2019.

HITACHI

Inspire the Next

As rapid change continues across all sectors creating new opportunities, organizations need to accelerate their digital transformation and manage that journey with agility and sound decisions. At the same time, they have to maintain regulatory compliance. While the majority of change initiatives fail, our clients' programs are overwhelmingly successful. Depend on Hitachi solutions for growth and measurable results.