

Liquidity Management – Tools, measures and red flags

1.0 Learning objectives

This advanced level workshop serves as a refresher to liquidity management, with an emphasis on traditional models including gap analysis and earnings at risk, stress testing, scenario planning, policy making and simulations.

At the end of this workshop, participants will be able to:

- Measure liquidity and quantify the effectiveness of traditional measurement tools
- Use scenario based methods, stress testing and simulations to highlight your liquidity risk profile
- Develop assumptions for testing liquidity risk for Internal Capital Adequacy Assessment
- Assess and evaluate existing liquidity policies and contingency plans.

2.0 Schedule and Location

30th August 2008

9:00 am – 4:30 pm

Karachi Marriot Hotel

Mezzanine Floor

2.1 Day outline

09:00 am – 09:15 pm – Registration, feedback & networking

09:15 am – 11:15 am – First Session

11:15 am – 11:30 am – Tea break

11:30 am – 01:15 pm – Second Session

01:15 pm – 02:30 pm – Lunch break

02:30 pm – 04:30 pm – Third Session

3.0 Facilitator

Jawwad Farid is a Fellow Society of Actuaries (Chicago), an MBA from Columbia Business School (New York City) and a computer science graduate (FAST ICS). During the last fifteen years, he has worked as a consultant in North America, Pakistan, Middle East and the United Kingdom with a number of blue chip clients including Merrill Lynch, Aegon, Goldman Sachs, ING, Manufactures Life, Sumitomo Mitsui Bank, Met Life, Sun America, Nationwide, Pacific Life, Fidelity Investments, Transamerica, Skandia, GE Financial Assurance, AXA Equitable, Washington Mutual Bank, Riyad Bank and Dubai Islamic Bank.

His domestic client list includes Karachi Stock Exchange, State Bank of Pakistan, State Life Insurance Corporation of Pakistan, National Bank of Pakistan, Muslim Commercial Bank, United

Bank, Union Bank, Saudi Pak Commercial Bank, Soneri Bank, Askari Bank, Crescent Commercial Bank, KASB Securities, KASB Bank, ABN AMRO Bank, Pak Kuwait Investments, Prime Bank, PICIC, International General Insurance Company, InvestCap Securities, Crescent Lease, IHFL & others.

Jawwad has advised clients on Basel II gap analysis, multiple Basel II implementations, product development initiatives, derivative transactions, market risk and capital management solutions, and conducted more than 60 workshops on Basel II Risk Modeling, Derivative Pricing, Enterprise Risk Management, Market Risk Management, Currency Options, Portfolio Optimization and Interest Rate Modeling. Participants have included 1000 plus senior banking and treasury professionals from client institutions in Bangkok, Singapore, Pakistan, Saudi Arabia and UAE, with 800 plus logged instruction hours and an average score of 4 out of 5 on learning experience, facilitator knowledge, communication and market relevance.

4.0 Workshop level

Intermediate and Advance users. This advance level workshop is aimed at individuals responsible for asset liability management and risk management within banks, insurance companies and mutual funds.

The workshop assumes familiarity with basic liquidity concepts, local markets, portfolio management and the Basel II framework. All participants are requested to arrange laptops with a functional version of Microsoft Excel Solver.

5.0 Liquidity Management – Tools, measures and red flags

Day	Session	Title	Topics
One 09:15am – 11:15am	One 2 hrs	Liquidity and ALM models	Overview and introduction. Key terms and concepts. Basic tools – Price and Maturity GAP, MVE and NVP analysis, net interest income, earnings at risk, cost to close and liquidity.
One 11:30am – 01:30pm	Two 2 hrs	Liquidity Management I	Structure, Policies, Tools, Stress tests, ICAAP and Scenario analysis for liquidity.
One 02:30pm – 04:30pm	Three 2 hrs	Liquidity Management II	Hands on simulation and exercises. Review, wrap up and close.

6.0 About Alchemy Technologies

Alchemy is an Enterprise Risk advisory firm that has grown annually by one hundred percent year-on-year for the last five years. As of the date of this workshop we have picked up three industry and peer awards, conducted more than 60 workshops and employ 40 professionals. Alchemy Risk Manager, our Basel II compliant enterprise risk solution is now live at **five** client sites in Pakistan. Our international partners now include risk practices in Thailand, Vietnam, Cambodia, Laos and Singapore.

7.0 Workshop Fee, Restrictions and Cut off dates

25 participants only. Course fee is Rupees 37,500 per participant. Fees cover cost of materials, workshop facilities, lunch and three teas.

Discounted fees are available for Alchemy Risk Manager, Treasury One and Rating One solution customers in deployment or maintenance.

To avoid disappointments, please ensure that your nomination and payments have been received before 12:00 noon Thursday, 28th August 2008. Please make all cheques payable to Alchemy Technologies Pvt. Ltd.

For more information, please contact
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Jawwad Ahmed Farid

**Fellow Society of Actuaries,
MBA, Columbia Business School,
BCS, FAST ICS
Chief Executive and Actuary
Alchemy Technologies**



Jawwad is the Chief Executive and Actuary at Alchemy Technologies, a fast growing boutique risk management and financial advisory firm. He is a Fellow Society of Actuaries, an MBA from Columbia Business School (New York City) and a computer science graduate (FAST ICS). During the last fifteen years, he has worked as a consultant in North America, Pakistan and the United Kingdom with a number of blue chip clients including Hartford Life, Aegon, American General, Goldman Sachs, ING, Manu Life, Safeco, Merrill Lynch, Met Life, Sun America, Nationwide, Phoenix Life, Sumitomo Mitsui Bank, Sun Life of Canada, Pacific Life, AllState, Fidelity Investments, Transamerica, Skandia, GE Financial Assurance, Lincoln National, Ohio National, AXA Equitable, Washington Mutual Bank, Riyad Bank, and Dubai Islamic Bank.

His domestic client list includes State Bank of Pakistan, State Life Insurance Corporation of Pakistan, National Bank of Pakistan, Muslim Commercial Bank, Pakistan Kuwait Investments, Union Bank, Prime Bank, KASB Bank, Shell Pakistan, JSIBL, Financial Market Association, Pakistan Bank Association and others.

Jawwad's core areas of expertise include Asset/Risk Management, Investments, Contingent liabilities, Product design and development, Derivative instruments, the financial services Middle Office and the Basel Regulatory Framework. He blends a rare combination of information systems, international standards, business and product development skill set side by side with his actuarial expertise. Some of his recent assignments include:

- ❖ Design, development, marketing and deployment of an Enterprise Risk Management product that complies with domestic central bank's Market Risk Capital as well as Basel (BIS) Risk Capital requirements for regional markets as per the Revised Framework for Market, Credit and Operational Risk Capital. The product is now **live at five midsize** financial institutions in Pakistan, has been exhibited at multiple regional technology shows and has won three industry awards.
- ❖ Appointed actuary for the largest life insurance company in Pakistan with more than three billion dollars in assets under management, six million covered lives and branch network in Middle East and Pakistan. Responsibilities include oversight for valuation, regulatory reporting, investment policy, product development and portfolio management.
- ❖ Middle Office Risk assessment, model validation, the central bank's risk management framework and Basel II gap analysis for a number of domestic banks and treasuries in Pakistan with balance sheets ranging from five hundred million dollars to five billion dollars.
- ❖ Risk management and pricing consultations on Interest Rate Swaps, Interest Rate Caps and currency options transactions in the Pakistan to both payer and receiver counter parties.
- ❖ Comprehensive analysis & extension of risk exposure measurement & management system for the hedge fund margin lending business of a bulge bracket investment bank and brokerage institution in Western Europe.