Bank Controlling

OVERVIEW:

Banks are competing for the most attractive risk-return trade-off. Thus, like in other industries, return controlling is important. In contrast to other industries, risk controlling is at least as important as return controlling. This seminar looks at both controlling dimensions, their particularities, challenges, and implementations. Central concepts are how to measure return and risk of individual products and business lines. After having looked at risk and return separately, both dimensions are reunited in the risk-adjusted performance measures RAROC and RORAC. Finally, we present an Excel-model that allows for forward-looking controlling/ planning of banks' four key resources: Capital, Liquidity, Earnings, and Risk. This CLEaR – framework is Aspect's established planning methodology.

AGENDA OUTLINE:

Day 1: Profitability of products and risks

Day 2: Risk-adjusted performance and CLEaR Planning

WHO SHOULD ATTEND:

We believe that this seminar is most useful for participants from:

- Budget-responsible staff
- Treasury
- Risk management
- Internal controlling
- Risk controlling
- Internal audit

🕘 09:00 – 17:00 CET

📍 Virtual | On-site

€ Refer pricing structure

Have a question? Send us a mail to: aaa.aspectadvisory.eu

SEMINAR FORMAT:

- This seminar will be conducted in English

- This session will be conducted via Microsoft Teams. On completion of your registration you will receive a link to the meeting

COURSE MATERAIL:

- Sessions are recorded and could be obtained on request at the end of the seminar
- Trainers presentation slide decks could be obtained on request at the end of the seminar
- Certificates will be awarded at the completion of the seminar

CERTIFICATE:

- Certificates will be emailed to the participants on completion of the seminar

ASPECT ADVISORY ACADEMY

TECHNICAL SEMINAR

DAY 1

Day 1 : Profitability of Products and Risks

09:00 — 10:30

1. Introduction

1.1 Key performance indicators
1.2 Recent performance of main banks

2. Accounting vs. Controlling

2.1 Funds transfer framework
2.2 Accounting framework
2.3 Controlling framework
2.4 Controlling and accounting linkages

Morning Coffee Break

10:45 — 12:15

3. Profitability of products

3.1 Pricing of expected losses
3.2 Pricing of unexpected losses
3.3 Break-even rates for loans (with Basel III - cost)
3.4 Break-even rates for deposits (with Basel III - cost)
3.5 Accountability of transfer prices

Please note:
This is a sample schedule and the session topics is illustrative and subject to change.

ASPECT ADVISORY ACADEMY

TECHNICAL SEMINAR

DAY 1

	Lunch Break

| 13:30 — 15:00 | **4 Profitability of risks I**

4.1 Risk-adjusted and non-risk adjusted performance measures

4.2 RAROC/ RORAC
• Net revenues
• Hurdle rates/ cost of capital
• Risk capital (regulatory/ economic capital)

4.3 Risk measurement
• Market risk |

	Afternoon Coffee Break

| 15:15 — 17:00 | **4. Profitability of risks II**

4.3 Risk measurement
• Credit risk
• Operational risk

4.4 Risk aggregation and allocation of diversification effects
• Proportional aggregation
• Incremental aggregation |

	Close of Day 1 Sessions

Please note:
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aaa@aspectadvisory.eu

ASPECT ADVISORY

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TECHNICAL SEMINAR

DAY 2

	Day 2 : Risk-Adjusted Performance and CLEaR Planning

09:00 — 10:30

5. Performance measurement I

5.1 Capital allocation
- Definition of risk appetite
- Definition of risk tolerance and risk budgets
- Top-down and bottom-up allocation
- Allocation and limit setting

Morning Coffee Break

10:45 — 12:15

5. Performance measurement II

5.2 Capital planning
- Capital ratios: supply in numerator, demand in denominator
- Break-down of demand and supply into its main drivers
- Evolution of capital demand drivers across time
- Evolution of capital supply drivers across time

5.3 Actual risk-adjusted performance
5.4 Excel example: all steps of an annual performance cycle

Please note:
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ASPECT ADVISORY ACADEMY

TECHNICAL SEMINAR

DAY 2

	Lunch Break

13:30
———
15:00

6. 2Y – Planning: The CLEaR – framework I

6.1 Decomposition of key ratios into key drivers
- Capital
- Liquidity
- Earnings
- Risks

6. 2 CLEaR View & Forecast

	Afternoon Coffee Break

15:15
———
17:00

7. 2Y – Planning: The CLEaR – framework II

7.1 Stress testing, planning and optimization
7.2 Margin-volume functions
7.3 Excel example: CLEaR Planning tool

Close of Day 2 Sessions

Please note:
This is a sample schedule and the session topics is illustrative and subject to change.