GO WISE ACADEMY™

Course:
Liquidity Requirements under Basel Capital Framework and CRR (LCR & NSFR) – Advanced Level

DELIVERED BY:

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Risk and Compliance management professional with 20+ years of international experience in banking and finance.

OBJECTIVES:

- Explain the concepts, purpose, and regulatory significance of liquidity prudential requirements under the Basel Capital Framework and CRR.
- Describe the step-by-step methodology used to calculate the Liquidity Coverage Ratio (LCR).
- Identify and understand the components of High-Quality Liquid Assets (HQLA) used in LCR calculations.
- Analyze how total net cash outflows are determined under regulatory stress scenarios for LCR.
- Demonstrate the formula and computation process for the Net Stable Funding Ratio (NSFR).
- Examine the classification of Available Stable Funding (ASF) and Required Stable Funding (RSF) in NSFR calculations.
- Interpret regulatory thresholds and understand how calculated ratios reflect a bank's liquidity position.
- Provide practical examples illustrating the calculation process for both LCR and NSFR.

SKILLS DELIVERED:

- Understanding how to calculate LCR and NSFR
- Identifying key components used in both ratios
- Interpreting liquidity ratios for decision-making
- Supporting regulatory compliance
- Improving liquidity risk awareness

DESIGNED FOR:

- Treasury and Liquidity Management Teams
- Risk Management Professionals
- Finance and Regulatory Reporting Teams
- Internal Audit Professionals
- Senior Management and Decision Makers

COURSE PROGRAMME:

LIQUIDITY REQUIREMENTS UNDER BASEL CAPITAL FRAMEWORK AND CRR (LCR & NSFR) – ADVANCED LEVEL

TOPIC	DURATION
1. Overview of Liquidity Coverage Ratio (LCR) Requirements • Liquidity coverage ratio (LCR) minimum requirements • Liquidity coverage ratio (LCR) components • Defined thresholds for High-Quality Liquid Assets (HQLA) reserve components	20 min.
2. High-Quality Liquid Assets (HQLA) • Definition and fundamental characteristics of HQLA • Operational requirements for HQLA • Level 1 liquid assets • Level 2 liquid assets (2A and 2B liquid assets)	40 min.
3. Total Net Cash Outflow Calculation Requirements • Categories of cash outflows and inflows, and supervisory factors • Definition of residual maturity for liabilities and assets • Definition and determination of stable and operational deposits • Simplified approach for small and non-complex banks	120 min.
4. Overview of Net Stable Funding Ratio (NSFR) Requirements • Nest Stable Funding Ratio (NSFR) minimum requirements • Nest Stable Funding Ratio (NSFR) components • Definition of Available Stable Funding (ASF) and Required Stable Funding (RSF)	20 min.
5. Available Stable Funding (ASF) Calculation Requirements • Available Stable Funding (ASF) categories and supervisory factors	30 min.
6. Required Stable Funding (RSF) Calculation Requirements • Required Stable Funding (RSF) categories and supervisory factors	40 min.
7. Conclusions and Q&A • Summary of key learning points • Frequently asked questions and answers • Additional resources and next steps	30 min.
TOTAL	**5 hours**

Duration:
5 hours (5 CPD Units)

Language:
English

Delivery mode:
Live Online

Skills level:
Expert