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ACCOUNTING AND FINANCE | AF-018

Certificate in Liquidity Risk Management

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Course content

Why Attend

Liquidity risk is one of the most critical financial risks facing banks, financial institutions, and corporate treasury functions. An organisation may report strong profitability and hold substantial assets yet still experience financial distress if it cannot meet its payment obligations when they fall due. Funding concentration, unexpected cash outflows, market disruption, collateral requirements, and limited access to financing can quickly expose weaknesses in liquidity management.

The Certificate in Liquidity Risk Management course develops practical knowledge of liquidity risk identification, measurement, monitoring, stress testing, funding strategies, and contingency planning. Participants examine the relationship between liquidity, capital, profitability, and financial stability, alongside regulatory expectations and established liquidity risk management practices.

The programme covers cash flow forecasting, liquidity gaps, funding diversification, liquidity buffers, the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), asset-liability management, early warning indicators, and liquidity stress scenarios. Through financial modelling exercises and case studies, participants learn how to assess liquidity vulnerabilities, evaluate funding resilience, and strengthen liquidity governance.

Professional Problems This Course Is Designed to Solve

• Unexpected liquidity shortages: Improving cash flow forecasting and liquidity gap analysis to identify potential funding shortfalls before they become critical.

• Excessive reliance on concentrated funding sources: Evaluating funding concentration, maturity mismatches, and refinancing exposure to improve funding resilience.

• Inadequate liquidity risk measurement: Developing appropriate liquidity metrics, monitoring thresholds, and management information to support timely decisions.

• Weak liquidity stress testing: Designing realistic stress scenarios that assess cash outflows, funding disruptions, collateral requirements, and available liquidity buffers.

• Insufficient contingency funding arrangements: Establishing practical contingency funding plans with defined triggers, responsibilities, escalation procedures, and funding options.

• Difficulty interpreting regulatory liquidity requirements: Understanding the principles and calculations underlying LCR, NSFR, and relevant supervisory liquidity expectations.

Course content

Why Attend

• Poor coordination between treasury, risk, and finance: Strengthening liquidity governance, reporting, risk appetite, and asset-liability management decisions.

Course Methodology

The programme combines instructor-led financial and risk management sessions, liquidity ratio calculations, Excel-based cash flow modelling, funding analysis exercises, regulatory case studies, and liquidity stress-testing workshops.

Participants examine realistic banking and treasury scenarios involving funding mismatches, liquidity buffers, deposit withdrawals, market disruptions, and contingency funding decisions. Practical activities progressively develop the components of a liquidity risk management framework, culminating in a comprehensive liquidity assessment and management action plan.

Course Objectives

By the end of this course, participants will be able to:

• Explain the sources, characteristics, and consequences of liquidity risk

• Distinguish funding liquidity risk from market liquidity risk

• Evaluate liquidity risk exposures across assets, liabilities, and funding structures

• Prepare contractual and behavioural cash flow forecasts

• Measure liquidity gaps and identify maturity mismatches

• Understand the calculation and interpretation of LCR and NSFR

• Evaluate the adequacy and composition of liquidity buffers

• Develop liquidity risk appetite indicators and monitoring thresholds

• Design liquidity stress-testing scenarios and interpret their results

• Assess funding diversification and concentration risks

Course content

Course Objectives

• Develop contingency funding plans and escalation procedures

• Strengthen liquidity governance, reporting, and management decision-making

Target Audience

This course is suitable for:

• Treasury managers and treasury professionals

• Liquidity risk managers and analysts

• Financial risk management professionals

• Asset-Liability Management (ALM) specialists

• Bank finance managers and financial controllers

• Corporate treasury and cash management professionals

• Banking regulatory compliance professionals

• Internal auditors responsible for treasury and liquidity risk

• Financial institution risk committee members

• Finance and risk professionals seeking specialised liquidity risk knowledge

Target Competencies

Participants will develop competencies in:

• Liquidity risk identification and assessment

• Cash flow forecasting and liquidity gap analysis

• Funding liquidity risk management

• Market liquidity risk assessment

• Liquidity Coverage Ratio analysis

Course content

Target Competencies

• Net Stable Funding Ratio analysis

• Liquidity stress testing

• Funding diversification and liquidity buffers

• Contingency funding planning

• Liquidity governance and regulatory reporting

Course outline

Day 1: Liquidity Risk Fundamentals and Financial Institution Funding Structures

• Understanding liquidity risk and distinguishing funding liquidity risk, market liquidity risk, and their relationship with solvency and profitability

• Identifying liquidity risk drivers arising from deposit withdrawals, maturity mismatches, refinancing requirements, collateral calls, and market disruptions

• Examining the structure of financial institution balance sheets and the liquidity characteristics of assets, liabilities, and off-balance-sheet commitments

• Understanding the role of treasury, risk management, finance, and asset-liability committees in liquidity risk oversight

• Evaluating historical liquidity crises and the lessons they provide for funding stability, market confidence, and risk governance

• Practical exercise: Identifying liquidity vulnerabilities within a financial institution's balance sheet and funding profile

Day 2: Liquidity Measurement, Cash Flow Forecasting and Gap Analysis

• Preparing contractual cash flow maturity profiles for assets, liabilities, and relevant off-balance-sheet exposures

• Incorporating behavioural assumptions for non-maturity deposits, early withdrawals, loan repayments, and contingent liquidity requirements

Course content

Course outline

• Calculating liquidity gaps, cumulative funding mismatches, and projected liquidity positions across different time horizons

• Measuring funding concentration, liquidity survival horizons, and the availability of unencumbered liquid assets

• Developing liquidity risk indicators, internal limits, early warning thresholds, and management reporting dashboards

• Excel workshop: Building a liquidity cash flow forecasting and maturity gap analysis model using illustrative banking data

Day 3: Regulatory Liquidity Standards and Asset-Liability Management

• Understanding the Basel III liquidity framework and the regulatory objectives of the Liquidity Coverage Ratio and Net Stable Funding Ratio

• Calculating LCR using eligible high-quality liquid assets and stressed net cash outflows over the prescribed horizon

• Evaluating NSFR through available stable funding and required stable funding across different asset and liability categories

• Examining liquidity buffer composition, asset eligibility, encumbrance, haircuts, and the operational availability of liquid assets

• Integrating liquidity risk considerations into asset-liability management, balance sheet structure, funding costs, and profitability decisions

• Practical workshop: Calculating illustrative LCR and NSFR positions and assessing the impact of changes in funding composition and liquid asset holdings

Day 4: Liquidity Stress Testing, Scenario Analysis and Funding Resilience

• Designing institution-specific, market-wide, and combined liquidity stress scenarios based on plausible adverse events

• Modelling deposit outflows, reduced wholesale funding access, collateral requirements, asset liquidation constraints, and contingent commitments

Course content

Course outline

• Assessing stressed cash flow projections, liquidity buffer depletion, funding gaps, and survival periods

• Applying reverse stress testing to identify conditions that could cause severe liquidity difficulties or funding failure

• Evaluating funding diversification strategies, alternative financing arrangements, and the liquidity implications of asset sales

• Case study: Conducting a liquidity stress test for a financial institution facing accelerated withdrawals and restricted market funding

Day 5: Liquidity Risk Governance, Contingency Funding and Management Reporting

• Establishing a liquidity risk management framework with defined risk appetite, policies, limits, responsibilities, and governance arrangements

• Developing contingency funding plans covering liquidity triggers, escalation levels, emergency funding sources, and management actions

• Strengthening coordination between treasury, finance, risk management, senior management, and the asset-liability committee

• Evaluating liquidity risk reporting requirements, management information, monitoring frequency, and communication during periods of financial stress

• Assessing liquidity risk management effectiveness through policy reviews, scenario testing, internal controls, and independent assurance

• Capstone exercise: Developing and presenting a Liquidity Risk Management Framework incorporating cash flow analysis, liquidity ratios, stress-testing results, early warning indicators, funding strategies, and a contingency funding plan

Seminar dates

Available seminar dates

Live dates and pricing for Certificate in Liquidity Risk Management generated from the course details page.

Date	Location	Format	Fee
Dates on request	Venue on request	Classroom	**Contact us**

Live online option	Online delivery is available at €1,850.-.