MAWA EVENTS

Address: No. 857, Block A2. Leisure Commerce Square - No 9., 46150 Petaling Jaya, Selangor, Malaysia

Phone: +601116373203 | **Email:** info@mawaevents.net

FUNDS TRANSFER PRICING AND ITS ROLE IN TREASURY

"Bridging Treasury Strategy and Profitability Through Internal Pricing Excellence."

Schedule

Venue (InHouse)	Fees
At Your Organization Premises	Ask For The Quotation

► **Available delivery methods:** In-House Training

Introduction

This advanced 5-day training course is designed to equip treasury, finance, and risk professionals with a detailed understanding of Funds Transfer Pricing (FTP) — a key internal mechanism used to allocate the cost of funds across business lines, enabling accurate performance measurement and effective balance sheet management.

Participants will explore FTP's strategic role in pricing, risk-adjusted returns, interest rate risk, liquidity management, and compliance with regulatory frameworks (e.g., Basel III). The course blends technical instruction, real-world practices, and interactive case studies to ensure practical application.

Objectives

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

- Explain the purpose and types of FTP used in financial institutions
- Apply FTP methodologies to price assets, liabilities, and off-balance sheet items
- Align FTP with interest rate risk, liquidity, and capital management strategies
- Use FTP for business line profitability, cost allocation, and product pricing
- Understand regulatory expectations and implement FTP governance practices

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Why Attend

By attending, you will:

- Gain critical insights into how FTP drives risk-adjusted profitability, product pricing, and business line accountability.
- Enhance your treasury skillset with the ability to design and apply FTP models that reflect liquidity, interest rate, and capital costs.
- Support regulatory compliance and strategic alignment with Basel III, IRRBB, LCR/NSFR, and other supervisory expectations.
- Build practical capability to calculate, monitor, and explain FTP impacts across assets, liabilities, and business segments.
- Collaborate with peers through real-world case studies and simulations that mirror your institutional challenges.
- Improve cross-functional decision-making between finance, ALM, risk, product, and strategy teams.

Target Audience

This course is ideal for:

- Treasury and ALM teams
- Risk and Liquidity Managers
- Finance and Strategy Officers
- Product Managers and Business Heads
- Regulatory and Compliance Professionals
- Internal Auditors and Bank Supervisors

Individual Benefits

- Gain deep expertise in FTP design and execution
- Enhance your ability to assess product and business unit profitability
- Develop skills in linking treasury operations to enterprise value
- Improve decision-making using risk-adjusted internal pricing tools

Organizational Benefits

- Enable accurate cost allocation and internal performance measurement
- Support compliance with regulatory requirements (Basel III, IRRBB)
- Strengthen coordination across finance, treasury, and business lines
- Enhance transparency in pricing, capital usage, and fund management

Instructional Methodology

- Expert-led theory sessions with real-world insights
- Excel-based FTP calculations and modeling
- Interactive case studies and industry comparisons
- Peer collaboration through group exercises and simulations
- Daily wrap-ups to reinforce key learning outcomes

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Course Outline

DETAILED 5-DAY COURSE OUTLINE (Customizable) Training Hours: 07:30 AM – 03:30 PM Daily Format: 3–4 Modules | Coffee breaks: 09:30 & 11:15 | Lunch Buffet: 01:00 – 02:00

Day 1: FTP Fundamentals & Treasury Context

- Module 1: Introduction to FTP
- What is FTP and why is it used?
- Internal pricing versus market pricing
- Key drivers: profitability, risk, and funding
- Module 2: The Role of FTP in Treasury and Balance Sheet Strategy
- Balance sheet segmentation: assets, liabilities, and capital
- FTP as a bridge between treasury and business lines
- Overview of FTP in interest rate and liquidity management
- Module 3: Building Blocks of FTP
- Yield curves and rate construction
- Internal versus external funding rates
- Pooled vs matched-term approaches

Day 2: FTP Methodologies and Model Design

- Module 4: Designing the Transfer Pricing Curve
- Zero-coupon and swap curves
- Liquidity premiums, tenor, and credit adjustments
- Case practice: Constructing an FTP curve
- Module 5: FTP Models in Practice
- Static vs dynamic FTP
- Single vs dual rate systems
- Decentralized vs centralized FTP
- Module 6: Product Pricing via FTP
- Retail and wholesale product implications
- Loans, deposits, derivatives, off-B/S items
- Behavioral assumptions and early redemption risks

Day 3: FTP and Risk Management

- Module 7: FTP and Interest Rate Risk (IRRBB)
- Measuring rate sensitivity and duration
- How FTP captures interest rate mismatch
- Linking FTP to ALCO decisions
- Module 8: FTP and Liquidity Risk
- Basel III metrics (LCR, NSFR) in FTP models
- Liquidity transfer pricing and contingency costs
- Regulatory focus on liquidity attribution
- Module 9: FTP Governance and Policy Design
- Internal control requirements
- Documentation, assumptions, and data quality
- Audit trails and review cycles

Day 4: Profitability, Performance, and Regulation

- Module 10: FTP and Business Line Performance
- FTP's role in measuring ROE, RAROC, and cost of capital
- Aligning incentives and risk-adjusted returns
- Segment-level profitability attribution
- Module 11: FTP in Multi-Currency and Multi-Entity Contexts
- Managing cross-border FTP flows
- FX funding and transfer pricing challenges
- Consolidation and intercompany pricing
- Module 12: Case Study – FTP in a Real Bank
- End-to-end FTP model walkthrough
- Performance insights from actual data
- Group analysis of outcomes and optimization ideas

Day 5: Application, Simulation, and Certification

- Module 13: Hands-On FTP Simulation
- Participants design a mini FTP framework
- Apply FTP logic to a set of sample loan and deposit portfolios
- Calculate internal transfer prices and evaluate impact
- Module 14: FTP Trends and Future Outlook
- Impact of AI and automation on FTP
- FTP in Islamic banking and ESG-linked instruments
- Strategic use of FTP under negative interest rates
- Module 15: Wrap-Up, Group Presentations & Certification
- Group presentations of FTP models and learnings
- Peer feedback and instructor critique
- Certification ceremony and post-training resources

Certification

All participants will receive a Certificate of Completion in \"Funds Transfer Pricing and Its Role in Treasury\" – demonstrating mastery in internal pricing, ALM alignment, and strategic treasury functions.

Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
- **Industry-Leading Faculty:** Courses delivered by seasoned professionals with hands-on experience.
- **Practical Insights:** Learn to turn theory into actionable strategies for real-world business impact.
- **Client-Focused Solutions:** Customized programs designed to achieve your organisation's unique goals.

In-House / Customized Training Interested in running this course for your team? Please contact us:	TEL: **+601116373203**	EMAIL: **info@mawaevents.net**

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