

## Program on Transfer Pricing in banks

### Schedule

**Date:** Thursday, May 15, 2014

**Time:** 9:00 AM to 5:45 PM

**Venue:** Cullinan & Orloff in Trident, BKC, Mumbai

Time	Topics & Sub-topics	Speakers
9:00-9:15 AM	<b>Introduction and Welcome</b>	G Gopalakrishna <i>Director, CAFRAL</i>
9:15-10:30 AM	<b>Transfer Pricing Framework</b> <ul style="list-style-type: none"> <li>➤ Concept of Internal Funds Transfer Pricing</li> <li>➤ Matched Fund Transfer pricing v/s Net transfer of funds v/s uniform rate</li> <li>➤ Objectives of FTP framework <ul style="list-style-type: none"> <li>• Removing Interest rate risk from the business line</li> <li>• Including the bank's cost of liquidity in product pricing</li> <li>• Driving balance sheet shape and direction for assets and liabilities</li> <li>• Fair and correct internal pricing regime for the bank</li> </ul> </li> </ul>	Rakesh Jha <i>CFO, ICICI Bank</i>
10:30-11:45 AM	<b>Group Exercise</b> <ul style="list-style-type: none"> <li>➤ Impact of different methods of Funds Transfer Pricing on profitability and balance sheet management</li> </ul>	Smita Aggarwal <i>CGM, CAFRAL</i>
11:45-12:00 PM	<b>Tea / Coffee Break</b>	
12:00-12:30 PM	<b>Discussion on Group Exercise</b>	
12:30-1:30 PM	<b>Various Methodologies of Transfer Pricing</b> <ul style="list-style-type: none"> <li>➤ FTP in Base Rate environment</li> <li>➤ Setting the correct bid and offer curve</li> <li>➤ Assets and liabilities with indeterminate maturity</li> <li>➤ Pricing of Options – prepayment, put, pre-mature withdrawal, etc.</li> <li>➤ Dynamic FTP curve in a changing interest rate scenario</li> </ul>	Rakesh Jha <i>CFO, ICICI Bank</i>
1:30-2:30 PM	<b>Lunch Break</b>	
2:30-3:45 PM	<b>Transfer Pricing and Balance Sheet Management</b> <ul style="list-style-type: none"> <li>➤ Role of the Funding Centre</li> <li>➤ Funding Centre as cost centre or profit centre</li> <li>➤ Transfer Pricing and ALM – Interest rate and liquidity risk management</li> <li>➤ Role of ALCO</li> </ul>	P Sitaram <i>ED, IDBI Bank</i>
3:45-4:00 PM	<b>Tea / Coffee Break</b>	
4:00-5:30 PM	<b>Transfer Pricing and Performance Management</b> <ul style="list-style-type: none"> <li>➤ Risk based pricing of assets</li> <li>➤ Driving liabilities raising behaviour using the FTP mechanism</li> <li>➤ Performance management of Business Units</li> <li>➤ Strategic Decision making using segmented profitability</li> <li>➤ Considerations that must be addressed when implementing Transfer Pricing policy</li> </ul>	Diwakar Gupta <i>Former MD &amp; CFO, SBI</i>
5:30-5:45 PM	<b>Wrap-up Comments</b>	Smita Aggarwal <i>CGM, CAFRAL</i>