ALM Model Metrics

Walter Bauer
Principal

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Education

- Masters in Mathematics, University of Waterloo
- MBA, Schulich School of Business, Toronto

Professional Memberships

- Member and Past President, NALMA (National Asset Liability Management Association)
- CALMA (Canadian Asset Liability Management Association)

Professional Experience

Walter has over 20 years of Financial Services industry experience at CIBC and BNS, two of Canada's major banks. He is an accomplished and recognized leader in Asset Liability Management, Economic Capital and Risk Management.

Walter held a number of positions within the Treasury and Risk Management businesses.

He was responsible for ALM policy and strategy, and the implementation and management of a comprehensive ALM process. He had direct responsibility for the domestic balance sheet, liquidity policy and oversight responsibility for international operations.

Walter led the development and implementation of an economic capital and risk-adjusted performance measurement and analysis process, called RAROC. His responsibilities encompassed policy, methodology and MIS, and all risk types, including credit, market and operational risk. Walter was a member of the Risk Management Leadership Group, where he played a key role in the Bank's ERM implementation.

Walter works effectively with all levels of management, and is equally comfortable communicating with technical staff, executive management and the CEO and Board.

Principal Areas of Focus

- ALM Model Validation and Interest Rate Risk Policy Development
- Funds Transfer Pricing
- Liquidity Risk
- Enterprise Risk Management
- Risk-adjusted Performance Measurement (RAROC, Economic Profit)
- Economic Capital: development and implementation
- Basle: implementation support
- Board and senior management education

Recent Engagements

Successfully persuaded the executive of a US Regional to implement best-practices Funds Transfer Pricing. Led the development of the FTP methodologies, advised management regarding FTP implementation, and provided support on a range of other Treasury issues.

Reviewed and evaluated the risk management processes within a number of financial institutions. These evaluations have addressed interest rate risk, liquidity risk and market risk. Deliverables encompass: model validations, design and development of enhanced ALM processes, and the acquisition of new models.

Developed an interest rate risk limits framework, grounded in economic capital principles, for a US financial institution.

Prepared a Basle Two primer for the Canadian banking sector. It includes an analysis of the impact of Basle II on risk-weighted assets and capital. A series of calculators were developed to facilitate the analysis of individual banks.

Provided ALM and Treasury expertise to a government review of the effectiveness of its Mortgage Backed Securities program. This engagement involved a comprehensive review of Bank Treasurers, capital markets participants and other stakeholders. Analyses addressed cost of funds alternatives, FTP processes and mortgage pricing dynamics.