JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Bank Business Line Profitability and Risk-Adjusted Pricing Training Course

17 – 21 May 2027
Barcelona

jupiterprime.uk

info@jupiterprime.uk

Registered in the United Kingdom and Saudi Arabia

Bank Business Line Profitability and Risk-Adjusted Pricing Training Course

Ref: 2780_106425 **Date:** 17 – 21 May 2027 **Location:** Barcelona **Fees:** 5600 GBP

Bank Business Line Profitability and Risk-Adjusted Pricing is a 1-week training course for branch, product and business line managers and ends with a business line financial improvement plan. Margins, capital charges and funding costs now move faster than annual budgets, so each line must know what its loans and deposits truly earn. Jupiter Prime Training offers this view of line economics.

Why Bank Business Line Profitability and Risk-Adjusted Pricing Matters Now

Three pressures meet on a line manager's desk. Treasury charges and credits funds through transfer rates that shift with the rate cycle. Finance allocates capital against every exposure, so a loan profitable on margin can destroy value once its capital charge counts. Customers compare offers digitally. A line pricing with risk and funding in view protects its return; a line pricing on habit gives away margin or books loss-making volume. The course rests on funds transfer pricing FTP, risk-adjusted return on capital RAROC and activity-based cost allocation.

Who Gains Most from Bank Business Line Profitability and Risk-Adjusted Pricing

- Managers who own the profit and loss of a branch network or regional cluster
- Product owners setting rates and fees for loans, cards and deposit accounts
- Relationship leads negotiating facility pricing with corporate and small business clients
- Finance business partners who explain management accounts to line leaders
- Sales and channel leads judging which customer segments earn their capital

A retail or commercial banking division gains most when product, branch and finance partners attend together.

Bank Business Line Profitability and Risk-Adjusted Pricing Capabilities

Participants move from reading a line statement to steering it, linking each quoted rate to the funding and capital it consumes.

- Analyse a business line profit and loss by income, loss and cost — the line review with finance
- Apply transfer rates to separate commercial margin from funding gain — the conversation with treasury
- Calculate risk-adjusted return on capital for a facility or segment — the approval committee
- Design a loan price built from funding, expected loss, cost and capital hurdle — the client negotiation
- Weigh deposit pricing against balance stability — the deposit strategy
- Build a cost-to-income case with named levers — divisional leadership

Key Bank Business Line Profitability and Risk-Adjusted Pricing Terms

- Funds transfer pricing — the internal rate that charges lending units for funds used and credits deposit units for funds raised.
- Net interest margin — interest earned on assets minus interest paid on funding, expressed relative to average earning assets.
- Expected loss — the average credit loss a portfolio is projected to suffer.
- Economic capital — the internal estimate of capital needed to absorb unexpected losses on a line.
- Risk-adjusted return on capital — risk-adjusted earnings divided by the capital a facility or line consumes.
- Cost-to-income ratio — operating expenses divided by operating income.

Bank Business Line Profitability and Risk-Adjusted Pricing Day by Day

Day 1: Reading the Business Line Statement

- Line Profit and Loss Anatomy — Where Earnings Are Really Made
- Balance Sheet Drivers of Interest Income — Volume Versus Margin Choices
- Fee and Commission Income Streams — Dependence on Transaction Activity
- Management Accounts Versus Statutory Accounts — Reconciling Line Figures
- Peer Line Benchmarking — Setting Realistic Profitability Ambitions

Day 2: Funding Cost and Transfer Rates

- Funds Transfer Pricing Curve Construction — Fair Charges Across Maturities
- Matched-Maturity Transfer Rates — Isolating Interest Rate Exposure From Lines
- Liquidity Premium Allocation — Rewarding Stable Deposits and Long Funding
- Behavioural Assumptions for Current Accounts — Valuing Non-Maturity Balances
- Transfer Rate Disputes — Resolving Line and Treasury Disagreements

Day 3: Credit Loss, Capital and Return

- Probability of Default, Exposure and Recovery Inputs — Expected Loss Charges
- Economic Capital Allocation Methods — Fair Capital Burden per Segment
- RAROC Calculation for Facilities — Accept, Reprice or Decline Decisions
- Hurdle Rate Setting — Linking Line Targets to Shareholder Expectations
- Customer Relationship Profitability — Cross-Sell Value Against Single-Product Loss

Day 4: Pricing Loans, Deposits and Costs

- Loan Price Build-Up Model — Floors, Targets and Negotiation Room
- Deposit Rate Elasticity Analysis — Balance Retention Versus Interest Expense
- Pricing Exception Governance — Who May Approve Below-Hurdle Deals
- Activity-Based Cost Allocation — True Cost of Branches and Channels
- Cost-to-Income Lever Mapping — Digital Migration, Process and Staffing Choices

Day 5: Practising the Business Line Financial Improvement Plan

- Line Statement Diagnosis Exercise — Selecting the Three Biggest Value Gaps
- Repricing Scenario Testing With RAROC — Volume and Margin Trade-Offs
- Funding Mix Rebalancing Options — Transfer Rate Impact on Line Earnings
- Line Performance Scorecard Design — Measures Reviewed Each Month
- Business Line Financial Improvement Plan — Targets, Levers, Owners and Milestones

Applying Bank Business Line Profitability and Risk-Adjusted Pricing After the Course

- Run a RAROC review of the largest facilities in the book and flag those below the hurdle rate.
- Test the transfer rates applied to deposit balances with treasury and agree behavioural adjustments.

Bank Business Line Profitability and Risk-Adjusted Pricing Questions FAQ

What is bank business line profitability and risk-adjusted pricing, and why does it matter now?

It is the discipline of measuring what each banking line truly earns after funding, credit loss, cost and capital, and pricing accordingly. Rate cycles, capital charges and digital comparison now expose lines that price on habit.

Which roles gain most from bank business line profitability and risk-adjusted pricing?

Branch, product and business line managers who own earnings gain most. Relationship leads and finance partners also benefit, especially alongside the line leaders they support.

How does a bank business line profitability and risk-adjusted pricing course differ from a treasury or credit analysis course?

It takes the line manager's seat rather than the specialist's. Treasury courses build hedging skills and credit courses assess borrowers; here you combine their outputs into pricing and return decisions.

What do you bring back from bank business line profitability and risk-adjusted pricing?

You bring back a financial improvement plan for your own line. It sets out value gaps, chosen repricing and cost levers, a tracking scorecard and milestone owners.

Bank Business Line Profitability and Risk-Adjusted Pricing: The Way Forward

The business line financial improvement plan first informs the next pricing round, showing which facilities and deposit products to reprice. Line managers, finance partners and divisional heads use it to agree targets and track the monthly scorecard. After its first quarter, revisit the transfer rate and capital assumptions, since funding shifts change which segments earn their keep.