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Behavioral Modeling in Treasury: NMD & Deposit Assumptions

Course overview

This course explores the behavioral assumptions that drive IRRBB, FTP, hedging and liquidity, and why they matter, covering:

- The behavioral assumptions that drive IRRBB, FTP, hedging and liquidity, and why they matter.
- Master deposit beta, decay rate and behavioural maturity: derivation, calibration and governance.
- See how one assumption change cascades through the hedge, P&L and regulatory metrics.
- Grounded in SVB's deposit concentration failure and current EBA/PRA expectations.

Learning outcomes

1. Understand why behavioral modeling is the foundational assumption engine for IRRBB, FTP, structural hedging and liquidity.
2. Master the three key NMD parameters: deposit beta, volume sensitivity (decay rate) and behavioral maturity.
3. Understand product-by-product behaviouralisation: non-maturity deposits, fixed-rate lending prepayments, overdrafts and revolving credit.
4. Understand how a change in NMD assumptions cascades through IRRBB, FTP rates, the structural hedge and P&L.
5. Apply governance standards: model lifecycle, monitoring frameworks, Regulatory expectations for NMD documentation.
6. Apply the lessons of SVB's deposit concentration and behavioural assumption failure.

Course agenda

Why Behavioral Modeling Matters (20mins)

The chain from assumption to IRRBB to hedge to P&L.

NMD Modeling in Depth (65mins)

Deposit beta, decay rates and behavioral maturity – estimation & calibration.

Product-by-Product Deep Dive (30mins)

Current accounts, savings, mortgages, overdrafts and credit cards.

How Assumptions Feed Downstream (30mins)

IRRBB impact, FTP rate construction and structural hedge calibration.





Case Study and Q&A (25mins)

Governance, model risk and the SVB case study, plus Q&A session.

Why attend

Learn how to derive, calibrate and govern deposit beta, decay rate and behavioral maturity, and see how a single assumption change can cascade through the hedge, P&L and regulatory metrics, grounded in the lessons of SVB's deposit concentration failure and current EBA/PRA expectations.

Who should attend

This course is designed for ALM and Treasury specialists interested in refreshing or establishing understanding of Liquidity; IRRBB; FX (including SFX); CSRBB; risk, regulation & compliance; and stress testing.

✓ **Book your place:** academy.cefpro.com/behavioral-modeling-in-treasury

