

Wiley Finance Series

SECOND EDITION

THE PRINCIPLES OF BANKING

MOORAD CHOUDHRY

Forewords by

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WILEY

Praise for *The Principles of Banking*, Second Edition

Creating competition and fresh ideas in UK banks remains a challenge. Working with Boards who understand and can appreciate the real risks involved is absolutely fundamental. I have had the opportunity to be invited to chair a number of challenger banks, and it is great to come across INEDs who understand, challenge and support. Moorad turns his knowledge to great practical value as he helps establish the fundamentals of the bank. He has the rare skill to bring together his fellow Directors, even in challenging scenarios.

—Phil Jenks

Chairman, Recognise Bank Limited, London

Whenever I see a book by Moorad Choudhry in a bookshop, I open and read a number of pages there and then. I always learn something. If you ever want a summary of where banking is at from the perspective of an insider, this is the book to read! A well-balanced text that is easy to understand and, once you understand it, you can understand the context of current debates and potentially what lies ahead. Moorad provides a wide-ranging canvass for the ways that the practice of banking and related products influence our world.

—Tanveer Bhatti

Group Head of Model Risk Management, Revolut, London

The Principles of Banking is easily the most important text for anyone in banking today and should be required reading for all personal development plans. When I was a regulator at the UK Financial Services Authority, managing the Change In Control team, I was responsible for assessing and granting regulatory approvals for complex banking transactions, such as Virgin Money's takeover of Northern Rock. I relied heavily on Professor Choudhry's text as a reference throughout the banking license approval process. Since then, I have referenced his book often, as a guide continuously during my career in banking as regulator, consultant, investor, CRO and now on the strategy/commercial side, and crucially while setting up a new bank and going through the bank license approval process myself."

—Nihar Mehta

Chief Corporate Development Officer, Monument Bank Ltd, London

I strongly recommend this book to anyone who is involved with Finance and Treasury. The book itself is a unique source of the most relevant and updated Banking concepts, a rare and generous opportunity not to be missed. I have not yet found an author with such a deep knowledge of a Financial Institution Balance Sheet. It has been a privilege to learn from Professor Choudhry's wisdom and expertise.

—Gustavomelo Vasconcelos

Treasurer, Nubank, Sao Paulo

Asset & Liability Management, the Treasury function and ALCO are the beating heart of every bank in the world. *The Principles of Banking* encapsulates expertly all the high-level principles, the technical nuances and real-world approaches necessary for banks to follow, whilst also providing both technical detail and insight to suit bank executives, practitioners and academics. Moorad utilises his experience to blend the academic theory with practical insight and provide material that continues to be "the" reference source across the industry.

—Colin Johnson

*Treasurer, Chetwood Financial, Wrexham,
and Chairman UK ALMA (2013-2017)*

Moorad Choudhry is a real person.

The statement really summarises all I wanted to say about this book that I have the pleasure of reviewing, but I'm going to write a lot more explaining it! There is a cohort of middle-aged finance professionals who went into the industry a few decades ago, when mathematical modelling was beginning to be essential to value and manage the more complex products which were evolving, to handle the more complex risks inherent in an increasingly interconnected world. We went into an industry which we thought would be exciting and hard work, but above all, trustworthy, honest, stable, and transparent. These days we take stock of the ever-changing landscape and crises the industry has faced or been a part of.

In all of this time, Moorad stood out as a person whose work embodied everything the industry ought to stand for. Where others might fudge results, he could never vary from the truth. When some people were happy with a sketchy understanding of an area, he would drill down to the bedrock. And in all of this he has never lost his endless energy and enthusiasm, his quest for knowledge, and his drive to communicate, educate, and make the banking world a bit better than it might otherwise have been.

Finance would be poorer without Moorad's books. While being absolutely rigorous, they are also a lovely and easy read, and a fantastic introduction to the area. I frequently recommend them to students from my own first discipline, physics, as a perfect start to the world of finance – they are this, but also Moorad's integrity and professionalism come through on every page. This update to one of his most popular books is very welcome in a time when finance itself seems to be splintering into different disciplines, with spin-offs and new concepts coming thick and fast. Start off with this book and not only will you learn how finance works, but you'll also learn how it should be done from a personal and ethical viewpoint.

Enjoy this book – you can dip in and out if you are a practitioner researching an area, and you will not be disappointed by the level of detail and rigour. Or take a deep breath and start at the very beginning if you are new to it all – please come on in, and help us steer banking in the right direction!

—Professor Jessica James

Senior Quantitative Researcher, Commerzbank AG, London

This book is an impressive guide for all important elements of banking. It can help anyone in the business, from beginners to the more experienced. It compiles the theory with practical examples. I strongly recommend!

—**Silvia Valadares**

ALM Director, Nubank, Sao Paulo

While designing software for balance sheet management of banks, Moorad's book *The Principles of Banking* was my friend, guide and philosopher. Banking has changed dramatically in the last few years and the Second Edition is surely the definitive book on new age banking. The original edition is the best textbook on banking that I have read and any management school teaching this subject is well advised to use it. I find it simple, exhaustive and encyclopaedic. Moorad is a terrific author and I look forward to this new edition.

—**Prahlad D N**

Chairman, Surya Software Pty, Bangalore

Professor Choudhry's 2012 *The Principles of Banking* was a genre classic - comprehensive, clear and bridging that most difficult of gaps - theory to practice. Equations and numbers on one hand are the details of banking yet on the other is people faced with making decisions in the real world. His use of Case Studies shows very well how to marry the two. His updated version is welcomed with enthusiasm.

—**Mike Baliman**

Head of Kleinwort Benson Fixed Income Investment Management (1988-92), Global Head of Risk, Kleinwort Benson (1992-98), London

Since its publication ten years ago, Professor Choudhry's book has deservedly established itself as the reference book for all matters banking, and bank balance sheet management. This second edition will undoubtedly ensure it remains so for the next ten years and probably beyond. Not only does it contain a wealth of technical material clearly articulated for both the novice and the more seasoned practitioner, it also reflects, on almost every page, the author's passionate view that managing a bank is not just a technical skill – it requires also common sense, judgement and, above all, personal integrity on the part of those making the decisions. A superlative work.

—**Paul Newson**

former Head of IRRBB Oversight, Lloyds Banking Group, London

Professor Moorad Choudhry never ceases to impress banking risk professionals including myself! His masterpiece books on Finance undeniably will elevate the tides of knowledge for all young leaders in banking. Amongst his treasures, *The Principles of Banking* has been my best information source, especially regarding liquidity risk concepts. But it is more than that, it is a "one stop shop" solution for banking regulations, operations, risk modelling and asset and liability management. Every work from the Professor will stand out as a reference for a lifetime to so many sprouting minds.

—**Babu Sathyanarayanan**

Liquidity Risk Manager, HSBC Bank, Chennai

If it had kicked off between you and him, every single one of us would have run down there to help you out.

—Alex Haigh
Captain, Newdigate FC, West Sussex League

Moorad, you are a great team player, and you have the heart that a South American footballer requires!

—Juan Carlos Sihuincha
Head of Planning Global Capital Markets, Scotiabank, Lima

Moorad is a breath of fresh air to deal with, he almost makes ALCO fun! Very knowledgeable in his areas of specialism, but also taking on board the wider workings of the Society and making a really positive contribution.

—Caroline Bradley
Non Executive Director, Chair of Audit Committee, Al-Rayan Bank, Birmingham

A strong economy pivots on a robust and effective banking system yet even the most reputed models have been severely tested in the past two decades. Complexity, boundary-pushing, poor oversight and thinly spread technical understanding have all been contributory factors. Professor Choudhry's book, written from coalface experience, keeps the subject matter focused, relevant and interesting. I love the way the author moves on to a new concept but within a few sentences, provides an easy definition of what this means which allows the reader to build understanding with confidence. An invaluable companion for bankers at all levels.

—Bryce Glover
Deputy CEO, Recognise Bank Limited, London

Moorad is certainly a solid reference for asset & liability management themes – a core activity in banking – and always proved to be a remarkably invaluable contributor in our discussions about solving ALM challenges. *The Principles of Banking* is mandatory reading for those seeking knowledge from an experienced practitioner!

—André Daier
Liquidity and Funding Management Squad Lead, Nubank, Sao Paulo

I look at this book through the lens of working in a small, mutually-owned lender and deposit taker, so not everything it contains is relevant to my institution (I've always thought funds transfer pricing was a complicated solution to a problem we don't have, for instance), but the great majority of it is. We are exposed to liquidity risk, credit risk and interest rate risk and we have to make effective use of our capital. Professor Choudhry's book provides an excellent guide to the management of these issues and I would recommend it for those new to the industry but also to those, like me, who have been here a long time, but still find occasion to look for a refresher on the basic principles of why we do what we do.

—Andrew Payton
former Finance Director, Loughborough Building Society,

The Principles of Banking is a “must read” for all those who wish to succeed in a bank treasury and balance sheet management environment. I used it extensively as an up-and-coming Treasurer and still have it close to hand as it still relevant reference material today. Understanding *The Principles of Banking* enables a treasury professional to undertake today’s challenge of multi-dimensional optimisation, which is the key to adding value in a bank treasury environment, with confidence, based on an assured technical grounding.

—Chris Blake

Senior Manager, Global Treasury, HSBC Group, London

I have been involved in Banking and more specifically Treasury and Risk for over 37 years now and throughout this time have read many a publication pertaining to our profession. In my opinion, Professor Choudhry’s *The Principles of Banking* is the singularly most complete reference book of its kind it has been my pleasure to read. From its opening introduction on the basics of banking, the reader is guided through capital, liquidity and ALM through to its conclusion in governance. For the novice to Banking, it provides a wealth of information and will give a well-rounded knowledge of the sector; for the seasoned professional it serves as a valuable reference manual which will provide affirmation of any action or intention. It is quite simply the definitive guide to our profession, and one that deserves its spot on every banker’s bookshelf.

—Dean Carter

Group Treasurer, Recognise Bank Limited, London

If only I had picked up *Principles of Banking* a few days earlier! It fell into my hands browsing a bookshop after a third-round interview with one of Barclays’s Treasury teams. Very quickly was I illuminated about those strategic and practical aspects of bank management that I had missed during the interview. In short: with *PoB* the would-be ticket to the last-stage interview was there in my hands.

PoB lives up to its title. It is a comprehensive yet extremely accessible treatise of the principles and practicalities governing modern banking. More than that, it is a fun, fascinating read, benefiting from Professor Choudhry’s signature straight-to-the point writing style. *PoB* is educational without being prescriptive, encouraging the practitioner to pick and mix those elements of a rich analytical toolbox that suit their particular institutional and market context.

—Thomas Kuehn CQF FRM BTRM

London

I’ve adopted elements from the *Principles of Banking* text book here in Myanmar for capacity building initiatives in the Banking sector. Great book! Thank you for sharing your knowledge Professor Choudhry.

—Tony Deary

Head of Component, GIZ Financial Sector Reform, Yangon

Moorad Choudhry’s *The Principles of Banking* is where you begin and to where you will return over and over again. He brings the rare combination of technical knowledge, lived executive experience at the Head of Treasury and Chief Executive Officer levels, and board governance duties, all in banking, to this comprehensive

text. The multitude of endorsements he has received should be sufficient to get you to buy this book! I delight in joining that chorus. In truth, though, the plenitude of knowledge he imparts is unrivalled, and that is justification alone for you to take this book home and studiously begin your reading.

—David R. Koenig

*President and Chief Executive Officer, The DCRO Institute; and Author,
Governance Reimagined and The Board Members' Guide
to Risk, Dublin, OH*

Moorad continues to ensure that the abstract becomes the practical. This is the text that students need.

—Peter Eisenhardt

Secretary General, International Council of Securities Associations, London

If the 2nd edition of *The Principles of Banking* manages to convey even a small fraction of its author's unique talent to explain difficult concepts in a lively, enthusiastic, and engaging manner, it must be on the reading list of every serious banking professional as a reference – as well as entertaining – book!

—Ioannis Rigopoulos

Founder of deriscope.com, Nuremberg

Trying to review this your book is, as they say colloquially in Hindi (translated), “trying to show a candle to the sun”. But if there was any way to improve a masterpiece. . . Professor Choudhry has done it with this book! To summarise the essence of banking into a compendium of books is a mean feat in itself, but he has managed to do the impossible. . . twice over! This book is a must-have for every aspiring banking professional, and indeed every experienced one too. The extensive layers of wealth contained in this compilation reveal themselves every time one peruses through its easy-to-understand language. Moorad's passion for the subject comes across on every page.

—Amitabh Singhania ACA

Chief Risk Officer, London

The author unites his ample knowledge of academic theory with solid real-life experience in the industry, given his experience in both camps. His ability to bridge the still wide gulf in finance between academia and professional practice is admirable, and greatly facilitates the reader's understanding.

—Dr Edward Bace

Senior Lecturer, Middlesex University Business School, London

This book is a must-read and standard work in Banking and Risk Management.

—Dr Silke Waterstraat

*Lecturer, University of Applied Sciences and Arts,
Northwestern Switzerland, Wallbach*

Fantastic and relatable content. It really gets to the heart of the principles of banking and of bank Treasury.

—**Miranda Love**
Head of ESG, Global Credit Finance, State Street, London

I still keep on recommending all of Professor Choudhry's books to my students in my fixed income lectures, most of all *The Principles of Banking!*

—**Aleksandar Doric**
Head of Fixed Income Securities Markets, Erste Group, Vienna

Professor Choudhry puts his comprehensive practical knowledge as bank treasurer in a rigorous academic framework. *The Principles of Banking* integrates theoretical concepts with the practices applied in leading banks and is equally insightful for practitioners, students, lecturers, researchers, and consultants. The second edition keeps up with the rapid changes in banking regulation after the financial crisis and contains new aspects like Basel III, ICAAP/ILAAP and stress testing.

—**Andreas Ita**
*Managing Partner Orbit36 Risk Finance Solutions AG,
former Head of Group Economic Performance and
Capital Optimization, UBS Group AG, Zurich*

This update to *The Principles of Banking* provides an invaluable distillation of a vast subject matter into an easy-to-digest format. It's a "must-read!" for everyone either in or developing a career in banking.

—**Anita Maclean**
*Director of Strategy, Recognise Bank Limited,
London and former COO, Santander UK
Corporate and Commercial Banking*

The Principles of Banking



In memoriam
Saeed Choudhry (c. 1934–2019)

The Principles of Banking

Second Edition

MOORAD CHOUDHRY

With contributions from

Polina Bardaeva, Natasha Bourne,
Michael Eichhorn, Beata Lubinska,
Engelbert Plassmann, Periklis Thivaaios
and Chris Westcott

WILEY

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*For Lindsay
Who first suggested I write a book called “The Principles of
Banking” . . .*

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Foreword

Neal Ardley

Moorad asked me to write a Foreword for his book on banking, which wasn't as surprising as you might think – he'd previously asked me to present at an executive offsite when he was CEO of a bank. Just as he had on that occasion, he invited me to write about Leadership and Teambuilding, as these are as important to achieving success in a bank as they are in a football team.

For me, leadership isn't about being in charge or being the boss, but about being responsible for inspiring everybody around me! The days of managing from the top down are waning, and the bottom-up approach is more rewarding for the creation of good team spirit, employee buy-in, cohesiveness, culture and a rewarding work ethic.

Today's world needs a modern approach and a good leader can be “the boss” and a decision-maker yet also have the ability to facilitate creativity, opinion and self-worth amongst their staff.

Building relationships is key; this shouldn't be confused with friendships (although friendships can happen), it is more about creating the trust between a leader and the individuals within their team that allow a culture for success, enabling the leader to be demanding and push their staff to be their best whilst still maintaining the belief in the staff that you are with them, wanting them to improve and get even better.

I've always found authenticity is important for a leader. Hard conversations still need to be had with your staff, however the ability to “soft land” things whilst making your point is crucial. The new generation of younger people need this approach, and react to it a lot more positively.

In my role as Academy Manager and 1st team Manager over the last 13 years I have learnt much that added to what I'd learnt during my 18 years playing professional football. It started in the Cardiff City Academy, and with a clear direction of how I wanted to take things forward. It was important to show my immediate staff my vision whilst adopting a holistic approach that allowed creativity, responsibility and buy-in from them all. This enabled them to work with vigour and passion, often going the extra mile to make the vision a reality.

The same approach helped me to success in my role as First Team Manager at AFC Wimbledon. In my first season we inherited a team that were used to losing, and staring relegation from the football league in the face. As always in life, success doesn't come in a straight upward line! It took until the final game to achieve our immediate goal of survival but the spirit we created amongst the staff and the players gave us the ability to recover from losses, and more importantly going from conceding goals during games to building a belief that it was "all in the script" and that we would maintain our league status.

We achieved this in several ways. We'd noticed that the players' heads went down every time we conceded a goal, which was most games, as if to say, "Here we go again". We needed to change this mindset, to accept that this will happen, and to be able to get past it, so we convinced the players that if we stuck together we would stay up and that every time we conceded a goal, lost a game or had doubts, every player would tell themselves and their team mates, "It's in the script, we are staying up!" Never was this more apparent than in the last four games of the season, when we came from behind twice, and recovered from conceding an equaliser in our final game, which we had to win to stay up. You could see the players rousing each other, saying "It's in the script!", but the most important part, and which made it work, was that all the players genuinely believed it. Also, I made sure that there was no blame culture, and everyone stood up to be counted when under huge pressure.

In our promotion season, which culminated in a final victory at Wembley, things were not going the way we wanted half way through the season. Again, the same principle applied in that we stuck together, without blame culture, and worked hard to find our way through the reasons why we were struggling.

It's at these points that the bottom-up leadership style comes to the fore! The group, to a man, never shied away from responsibility or the fact that we were underachieving, and slowly momentum was built to the point where, as manager, towards the end I could take a step back, knowing the team were ready for whatever came their way.

My belief in this approach was cemented when I took over a club in a similar situation to my first job in senior management, and again staring relegation from the league in the face. However, this time the staff and players didn't buy in to what was needed to create togetherness, and the culture wouldn't change. Sadly, selfishness was rife when it was selflessness that was needed, and unfortunately it took too long to change this as leader. A final day relegation was, harsh as it is to say, deserved in the end!

My experience in both cases confirmed to me that the keys to success in team building must include:

- Clear vision
- Genuine buy-in from staff
- Bottom-up leadership
- No blame culture
- Building relationships
- Inspiring people

The fact that Moorad has asked me to write a Foreword to his book suggests to me that he also likes to try and apply these same principles!

Neal Ardley
Manager, AFC Wimbledon (2012–2018)
Manager, Notts County (2018–2021)
Manager, Solihull Moors FC (2021–)
8 April 2021



Foreword

Sharon Bowles

The first edition of this book was published in 2012 in the wake of the financial crisis and was hailed as the book every practitioner should have at their elbow, not least to remind them of the fundamental tenets that had been forgotten in the rapid expansion of wholesale markets.

At that time, I was embroiled in the legislative response to the financial crisis, having a key role as Chair of the Economic and Monetary Affairs Committee of the European Parliament and negotiating the tsunami of EU financial legislation that followed the financial crisis. Meeting daily with Ministers, the Commission, Central Banks, regulators and industry, frequent thoughts on all sides were if only the banking basics had been followed; if only more attention had been given to the big picture; if only there had been a more thoughtful approach.

Now there is no excuse! *The Principles of Banking* enables everyone to access the big picture, individual specialisations, the thoughtful approach and to understand what happens in all parts of the system. Expressing matters in plain English, Moorad busts myths and fears, allowing you to think properly about concepts not fudged behind the latest jargon. Written with style it is a good read too!

Ten years on, as we wrestle with the economic effects of the Covid-19 pandemic, Moorad has updated his book appraising the regulatory changes and new landscape. Like the original, it is a comprehensive walk through capital markets, assets, liability, liquidity, funding, risk management and governance. It covers not only changes in the trading book, recovery and resolution, stress testing and everything else in Basel IV but also related matters such as IFRS 9 and climate risk management. He also covers the rise of challenger banks and the banking licence application process.

And there is more, including consideration of the effect of negative interest rates, the emergence of FinTech and whether it really is different for regulatory purposes. The governance section is also expanded covering board and committee roles with emphasis on fit for purpose governance,

resilience and technology. I know from experience, including being on the Board of the London Stock Exchange Plc, how important these matters are, with increased regulator interest: with politicians such as myself on their case if they are not!

If in doubt about what is best practice, you will probably find it here or understand how to approach the problem and work it out. It lifts the lid on supposed complexity and now it is this second edition that should be kept at the elbow. I wish I had had it.

I was delighted to be asked to write a foreword although I have only known Moorad for a short time, meeting through a shared interest in challenger banks. What I see in his approach and writing is a fellow traveller aiming to practise what they preach. Many do one half – but commenting is not the same as doing and doing is not the same as setting out the rationale. Having done both Moorad shines light from both sides on to where challenges may lie and will help others to cultivate good judgement.

Sharon Bowles
Baroness Bowles of Berkhamsted
Independent NED London Stock Exchange Plc
26 December 2021

Foreword

Henrique Fragelli

As in many fields in history and science, financial markets have evolved based on a continuous interaction of new technological innovations, the temporary disequilibrium that their insertion in the system generates, many times resulting in crisis, and following this process the governance response to handle the learnings of the crisis. As this is a dynamic process, we often have at the same time the governance response being introduced concomitant to new technological innovations. In a world where technological development is accelerating in an exponential way, we have a scenario of constant changes both from the technological and the governance side. This presents governance and risk management challenges.

In the context of the process above described, I believe we've been observing interesting dynamics over the past decade or so. It is often said that the great financial crisis of 2008 was largely exacerbated by the level of leverage in financial markets, and as a response to that regulators increased the level of capital requirements, particularly for systemically important financial institutions. Since that increase in the levels of capital requirement, we can observe that the resiliency of financial markets has materially improved. However, one of the undesired consequences of the new regulations is that financial institutions, particularly the large ones, had to entrench themselves in the more profitable businesses, and as a result financial inclusion retroceded, notably in the periphery of the financial systems.

One measure that many central banks designed to try to compensate for this dynamic was to foster a regulatory environment beneficial for new entrants, particularly for so-called "fintechs". In this new reality, regulators have been focusing on creating favourable conditions for new entrants. While they're still small in size, these new entrants don't pose a systemic risk, both with lower cost of capital and also observation costs. But as they become material and increase their systemic risk, new entrants are required to increase capital requirements and observation (i.e., their governance

framework). During this journey they fill the vacuum of financial inclusion that was the undesired consequence of the higher levels of capital previously mentioned.

In the last decade, and with growing intensity in the last years, we've been observing a series of fintechs rising and reaching remarkable success, effectively changing the financial markets as we know them. Perhaps one of the most relevant changes we have seen is the capacity for a fintech to occupy a particular market niche, forcing all existing market agents to pursue the best possible offering in that niche. In a market where information costs are reduced dramatically and the end consumer can compare offerings instantaneously, we observe a dynamic where (1) consumers will most of the time choose the best product offering, and (2) financial companies will either offer the best product or be forced out of the market. As a result of these dynamics, most likely no single company will be able to manufacture all products the customers need with the same level of value for customers, and with the new possibilities of integrations and partnerships that the technological development is creating, we now observe some good examples of financial institutions providing a broad product offering, where they manufacture only the products in which they can be best-in-class; for those products that they don't have the same superior capability and experience in, they partner with an institution that does exhibit this capability to then distribute that product.

This recent phenomenon can be regarded as a silent revolution in financial markets. Many of these fintechs explored technological innovations in the transaction services space; some of them went through the more arduous challenges of core banking, in several categories of lending, such as credit cards and "BNPL" services. But for the latter group, while many things are different in this new form of banking, some components remain critical, and in essence the same, as they have been for more traditional banks. For example, the discipline of Asset and Liability Management (ALM) remains a key pillar for those newer institutions that embrace the fintech world, but who wish to build a scalable and sustainable franchise. Even in this new world, financial companies need to understand, for example, the nature of the "banking book", and the need to manage credit risk. They are still faced with the challenges of deploying a funding strategy to support the growth of the asset book. These companies still need to create a Treasury operating model, with a sound understanding of liquidity and funding risk, and with a clear funds transfer price strategy in place. And finally, they need to fully understand all the challenges and implications of regulatory capital requirements and capital management. And those firms wishing to set up a long-term domain in this new world will find invaluable references in this comprehensive book by Moorad Choudhry.

Speaking personally, having navigated throughout my career in the financial markets infrastructure space, in large global banks and more recently in the fintech space, I find it remarkable how these three different worlds are diverse but also how they complement each other in order to form a broad view of the possibilities of modern financial markets. Another interesting point is that in the fintech space, I have the impression that many people focus more attention in the “tech” component than in the “fin” side. Perhaps that can explain why in most cases the fintechs end up focusing more on transaction services innovations, as opposed to core banking and lending. In my view, a world of opportunities can be explored for those who master the concepts present in this phenomenal book. And those who can combine the experience of “fin” with the innovations of the “tech” will command a leading position in these new uncharted territories.

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