FINANCIAL RISK MANAGEMENT



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Introduction

Financial Risk Management Training Course prepares finance professionals to identify, measure, and control the risks that threaten an organisation's financial position. Participants work through risk governance and appetite, market risk measurement with VaR and stress testing, credit and counterparty risk, liquidity and funding risk, interest rate and foreign exchange hedging, and risk reporting, limits, and control frameworks as one connected discipline. The programme links the exposures a balance sheet carries with the policies and instruments that contain them. As a result, learners gain a practical method for financial risk management. Furthermore, the course strengthens quantitative judgement, hedging discipline, and risk governance.

Financial Risk Management Course Objectives

- Explain financial risk types: market, credit, liquidity, operational.
- Apply risk governance structures and an approved risk appetite.
- Apply market risk measurement: VaR, expected shortfall, stress testing.
- Apply duration, gap analysis, and interest rate sensitivity measures.
- Apply hedging with forwards, futures, swaps, and options.
- Apply credit assessment, exposure measurement, and limits.
- Apply liquidity ratios, funding plans, and cash flow forecasting.
- Apply capital adequacy and regulatory capital concepts.
- Apply risk reporting, limit monitoring, and breach escalation.
- Apply internal control design and segregation of duties over treasury.

Course Methodology

- Interactive sessions built on financial risk cases across sectors.
- Workshops on VaR calculation, hedging design, and limit frameworks.

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- Group exercises on credit assessment, liquidity planning, and reporting.
- Hands-on practice with risk registers, limit schedules, and hedge documentation.
- Simulation of a risk committee review and a liquidity stress event.
- Facilitator coaching and peer review on personal risk management plans.

Who Should Take This Course

- Treasury, finance, and risk management professionals.
- Financial analysts and middle-office specialists.
- Internal auditors covering treasury and financial risk.
- Banking and corporate finance staff managing exposures.
- Controllers and compliance officers in financial functions.
- Consultants advising on financial risk frameworks and hedging.

Financial Risk Management Course Outlines

Day 1: Financial Risk Foundations and Governance

- Financial risk types and their business impact.
- Risk governance structures and the three lines model.
- Risk policy, appetite statements, and limit frameworks.
- Roles of the risk committee and the board.
- Risk registers and risk taxonomy for finance functions.
- Internal control design and segregation of duties.
- Case discussion: a hedging policy that no one followed.

Day 2: Market Risk Measurement

- Market risk drivers: price, rate, and currency.
- Value at Risk (VaR): variance-covariance and historical simulation.
- Expected shortfall and tail risk concepts.
- Stress testing and scenario analysis design.
- Backtesting and model validation basics.
- Sensitivity analysis and position reporting.
- Workshop: calculating VaR and running a stress scenario.

Day 3: Interest Rate and Currency Risk

- Interest rate exposure and repricing gaps.
- Duration, modified duration, and gap analysis.
- Yield curve shifts and basis risk.
- Foreign exchange exposure: transaction, translation, economic.
- Hedging with forwards, futures, swaps, and options.
- Hedge effectiveness assessment and hedge accounting basics.
- Exercise: designing a hedge for a rate and currency exposure.

Day 4: Credit and Liquidity Risk

- Counterparty credit assessment and credit ratings.
- Credit exposure, settlement risk, and collateral management.
- Credit limits, concentration, and mitigation tools.
- Liquidity ratios, funding sources, and maturity mismatch.
- Cash flow forecasting and liquidity stress testing.
- Contingency funding plans and liquidity buffers.
- Simulation: managing a liquidity stress event.

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Day 5: Reporting, Capital, and Control

- Risk reporting packs and dashboard design.
- Limit monitoring, breaches, and escalation procedures.
- Capital adequacy and regulatory capital concepts.
- Model risk, data quality, and valuation governance.
- Internal audit and assurance over financial risk.
- Risk-based decision-making and performance linkage.
- Capstone: presenting a financial risk management framework.

Conclusion

By successfully completing Financial Risk Management, participants will gain a practical command of financial risk types and governance, market risk measurement with VaR and stress testing, interest rate and currency hedging, credit and counterparty risk, liquidity and funding risk, and risk reporting, capital and control frameworks. They will acquire skills in risk measurement, hedging design, credit and liquidity assessment, and risk reporting that protect the financial position from volatility. Gentex Training Center designs the programme to help professionals manage financial risk with confidence.

FAQs for the Financial Risk Management course

Q1 What is the "Financial Risk Management" course about?

It prepares finance professionals to identify, measure, and control the risks that threaten an organisation's financial position. The course spans financial risk foundations and governance, market risk measurement, interest rate and currency risk, credit and liquidity risk, and reporting, capital and control.

Q2 What are the key benefits of the "Financial Risk Management" course?

You gain a practical method for financial risk management that links the exposures a balance sheet carries with the policies and instruments that contain them. The course improves risk measurement and hedging design, strengthens credit and liquidity assessment, sharpens governance and limit-setting practice, and gives you risk reporting and control frameworks that protect the financial position.

Q3 What skills will I gain from the "Financial Risk Management" course?

You will develop four core skills: financial risk governance and framework application, market risk measurement with VaR and stress testing, interest rate and currency hedging design, and credit and liquidity assessment with risk reporting and limit control.

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Q4 What tools, methods, or standards are covered in the "Financial Risk Management" course?

The course covers financial risk types and their business impact, risk governance structures and the three lines model, risk policy, appetite statements and limit frameworks, the roles of the risk committee and the board, risk registers and risk taxonomy, internal control design and segregation of duties, market risk drivers across price, rate and currency, Value at Risk (VaR) with variance-covariance and historical simulation, expected shortfall and tail risk, stress testing and scenario analysis design, backtesting and model validation basics, sensitivity analysis and position reporting, interest rate exposure and repricing gaps, duration, modified duration and gap analysis, yield curve shifts and basis risk, foreign exchange exposure across transaction, translation and economic, hedging with forwards, futures, swaps and options, hedge effectiveness assessment and hedge accounting basics, counterparty credit assessment and credit ratings, credit exposure, settlement risk and collateral management, credit limits, concentration and mitigation tools, liquidity ratios, funding sources and maturity mismatch, cash flow forecasting and liquidity stress testing, contingency funding plans and liquidity buffers, risk reporting packs and dashboard design, limit monitoring, breaches and escalation procedures, capital adequacy and regulatory capital concepts, model risk, data quality and valuation governance, and internal audit and assurance over financial risk.

Q5 How is the "Financial Risk Management" course applied in real-world practice?

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Participants apply it to real work such as calculating VaR and running stress scenarios, designing a hedge for a rate and currency exposure, assessing a counterparty and setting credit limits, forecasting cash flow and running a liquidity stress test, preparing a risk reporting pack, handling a limit breach and escalation, and presenting a financial risk management framework. The same methods support risk committee decisions and treasury control reviews.