

Financial Risk Management

FIN003

Course Description

Financial risk management is crucial for organizations to identify, assess, and manage risks that could affect their financial stability and business objectives. This course provides participants with the knowledge and tools to evaluate financial risks, including market risk, credit risk, operational risk, and liquidity risk. The course will also focus on developing strategies to mitigate these risks and implementing risk management techniques, including hedging and derivatives. Participants will learn how to assess and control risks to ensure the sustainability and profitability of their organization.

Course Goal

To provide participants with the skills, knowledge, and techniques needed to identify, assess, and manage financial risks, and to implement effective risk management strategies.

Course Objectives

By the end of this course, participants will be able to:

- Understand the different types of financial risks and their impact on businesses.
- Analyze market, credit, operational, and liquidity risks.
- Develop risk mitigation strategies for various financial risks.
- Understand the use of financial instruments such as derivatives and hedging for risk management.
- Implement effective risk management frameworks within their organization.
- Assess risk exposures and their potential effects on financial performance.
- Use financial models and tools for quantifying and managing risk.

Who can Benefit

- Financial Analysts
- Risk Managers
- Treasury Managers
- Investment and Portfolio Managers
- Executives and Managers involved in risk management
- Anyone responsible for managing financial risks in an organization

Course Duration

5 Working Days

Course Outlines

1. Introduction to Financial Risk Management

- What is financial risk?
- The importance of financial risk management
- Key components of financial risk management
- Overview of the types of financial risks: market risk, credit risk, operational risk, liquidity risk

2. Market Risk

- Definition and sources of market risk
- Measurement and evaluation of market risk (Value at Risk – VaR, Stress testing)
- Hedging market risk using financial instruments (derivatives, futures, options)
- Developing a market risk management strategy

3. Credit Risk

- Understanding credit risk and its impact on businesses
- Credit risk measurement (Credit rating, Probability of Default)
- Techniques for mitigating credit risk (credit derivatives, collateral)
- Credit risk management frameworks and processes

4. Operational Risk

- Defining operational risk and its sources
- Evaluating and managing operational risks
- Implementing internal controls and risk mitigation strategies
- Case studies on operational risk management

5. Liquidity Risk and Risk Management Frameworks

- Understanding liquidity risk and its implications
- Techniques for managing liquidity risk
- Building a comprehensive risk management framework
- Using financial tools and models to quantify risk
- Creating a risk management policy for your organization

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