

## Risk Management

### (part of Candidate CIP<sup>®</sup>, CIP<sup>®</sup>)

This course is ideal for those who wish to update or increase their knowledge about Risk Management. The learning concept couples directly the theoretical knowledge with the daily practice. In addition, this course forms part of the CIP program.

### Training Method

- Prior to the 1-day course, the participant will receive the 'Reader Risk Management'. In order to be able to participate at the fullest during the course and to achieve optimum results, the participant is required to study these materials before the course starts;
- After a 1-day intensive course where theory is illustrated with practical examples and current events, from the perspective learning-by-doing, the participant will study some real-life cases and review the results directly with the trainer;
- The course is ended with an exam. Once the participant passes the exam, he/she will receive the CIP certificate for Risk Management.

### Topics

During the course Risk Management the following topics will be treated:

- **Risk Management:**
  - Historical perspective;
  - Definition;
  - Positioning in the organization;
  - Steps in the risk management process in the organization.
- **Risk Management within a financial institution:**
  - Attention is paid to the credit crisis and the role of risk management in this;
  - What should have been done and how can these enormous losses be prevented in the future? Can these be prevented at all?
- **Risk, regulation and supervision:**
  - Basel II and Basel III;
  - Solvency II;
  - Governance (Sarbanes-Oxley, Tabaksblat);
  - Supervisors on the financial markets;
  - Rules and regulation;
  - Accountancy (IFRS and reporting based on fair value, hedge accounting);
  - Rating agencies.
- **Risk Categories, divided in:**
  - Credit risk (counterparty risk);
  - Market risk (price risk);
  - Liquidity risk;

- Operational risk.

- **Risk Management at banks:**
  - Risk measurement of the above mentioned risk categories;
  - The basis for these risk measurement methods is the Basel II-agreement and the mandatory/advised methods described therein;
  - Basel III, Dodd-Frank and EMIR;
  - Value-at-Risk (VAR) to measure market risk;
  - Stress Testing.
- **Risk Management at pension funds, including the most important risks:**
  - Equity risk
  - Interest rate risk;
  - Inflation risk;
  - FTK, FIRM, solvability assessment, coverage;
  - Surplus-at-Risk (SaR).
- **Risk Management and hedging of the above mentioned risk categories:**
  - Some hedging strategies of market risk are discussed, for example using: forwards, futures, swaps, interest rate caps, floors and collars, and options;
  - Hedge accounting.
- **Price-making process and market value:**
  - Forwards;
  - Interest rate swaps.

## Results

After completion of the course Risk Management, the participant will be able to:

- ✓ Better understand the job of a risk manager;
- ✓ Better understand and fully describe the process of risk management;
- ✓ Have good insight in risk management within financial institutions;
- ✓ Reproduce and apply the regulations and supervision in the area of risk management;
- ✓ Determine the risk categories based on Basel II and understand the definitions and applications;
- ✓ Measure the various risk categories, with special attention to Value-at-Risk;
- ✓ Manage the different types of risks and understand the functioning of the available financial instruments used by the treasury department for hedging risk;
- ✓ Have good insight in the risk management process concerning securities transactions and the inevitable relation between risk management and treasury.

## Course Particulars

The course Risk Management is offered in both the English and Dutch language. This means that the course can be given by an English speaking trainer, with all materials and hand-outs in English.



## Literature

- Reader Risk Management, ML Finance Academy (2012);
- Cases Risk Measurement and Risiko Hedging.

## Study, time and preparation:

	Hours
• Preparation (indication)	4 - 8
• Course 1 x 8 hours*	8
• Exam preparation (indication)	8
• Exam	1

## Total

**25 hours**

*\*Optional*

This workload equals **1,5 European Credits (EC)**.

Note: this time depends on the experience of the participant and is therefore only an indication.

## Costs

Open enrolment costs are € 325 (ex VAT) per person for the study materials and exam. Classroom costs are € 350 (ex VAT) per person. Re-examination costs per module is € 75,-.

In-company training for this course is also available for groups from 5 up to 20 people, please contact us for further information.

For information on costs for the complete CIP programs please see our special 'Product Suite CIP' leaflet or check the website: [www.foundationcip.com](http://www.foundationcip.com)