DURATION
(2 DAYS)

DERIVATIVES **RISKS – OVERVIEW,** APPLICATIONS & MITIGATING BUSINESS RISKS

COURSE OVERVIEW

This course provides an overview of the hidden risk in derivatives and a conceptual framework to enhance understanding of this topic. Participants will learn the metrics used to measure counterparty credit risk, including CVA& FCA. This includes understanding how volatility is the "source" of counterparty credit risk, how volatility is measured and how banks use it to model the amount that clients could owe.

The course is designed to equip business and risk managers with the knowledge and skills to recognize, understand, assess and mitigate the changing risks as the derivatives business evolves.

LEARNING OBJECTIVE

By attending the course participants will be able to

- Explain where risks come from in doing derivatives deals with clients.
- Understand and explain the various risk metrics used in the derivatives business, including Value at Risk (VAR), PFE, Expected Exposure (EE) and CVA.
- Promote the role of risk management in growing the derivatives business while professionally balancing risk and return.
- Describe the interrelationship between market and credit risk.
- Analyze customer motivations and activity when proposing deal structures and tailor proposals to real clients' real motivations.
- Distinguish between right-way and wrong-way counterparty exposure in a sophisticated way—not a superficial way.

TARGET AUDIENCE

This interactive program is designed for practitioners in sales, risk management, product and financial control and operations personnel responsible for generating, approving, monitoring or managing derivatives transactions. The best audience combines client facing bankers, derivatives sales and traders and risk officers.

COURSE METHODOLOGY

The course is based around case studies of key risk events that occurred in Asia. Participants will identify the key assumptions and errors in each case, what went wrong and lessoned learnt.

FTS ACCREDITATION