

# Treasury Risk Management

3 Days

## COURSE OVERVIEW

This intensive training course is designed to offer treasury executives, whether in corporations or financial institutions, a thorough coverage of the techniques available for modern treasury management. The complexity of cash management in modern financial markets has placed much more emphasis on the treasury function. This not only involves keeping control over increasingly complex interest rate and currency exposures but also keeping abreast of the latest techniques for managing those risk whilst effectively managing the funds of the institution.

## LEVEL

Intermediate

## WHAT WILL I GET OUT OF IT?

This intensive training course is designed to offer you a thorough coverage of the techniques available for modern treasury management.

Highly interactive, it will enable you to:

- Fully understand the role of treasury in the corporation/bank
- Successfully implement interest rate/ foreign exchange risk management
- Accurately measure treasury performance
- Strengthen your understanding of asset-liability management

## WHO'S IT FOR?

- Corporate treasury executive
- Risk manager
- Relationship officer
- Money market manager
- Foreign exchange executives
- Accountants and auditors
- Treasury operations managers

## COURSE CONTENT

### Frameworks for Identifying and Analyzing Risks

- Finance vs. business risk
- Identification, analysis and control of risks
- Hedging approaches and costs
- Importance of policies, internal control and audit

### Performance Measurement and Capital Allocation

- Why measure performance
- Meaningful benchmarks
- Capital adequacy directives
- Efficient use of capital
- Value-at-Risk approaches
- Risk-adjusted return on capital

### Debt Management and Debt/Equity Ratio

- Managing cash and working capital
- Forecasting cashflows
- Financing with debt vs. equity
- Maturity profiles
- Fixed vs. floating
- Questions of mismatches

### Measuring Interest Rate Risk

- Gap analysis
- Types and uses of gap analysis
- Macaulay duration
- Modified duration
- Convexity adjustments
- Rate shocks
- Simulation approaches

### Foreign Exchange Risk Management

- Spot, forward and FX transactions
- Transaction exposure
- Economic exposure
- Currency options
- Put/call parity explained
- Hedging decisions

### Tools of Risk Management

- Forward-forward transactions
- Forward rate agreement
- Financial futures
- Interest rate and currency swaps
- Interest rate options
- Swaptions
- Relationships between products

### **Futures in Treasury Management**

- FRAs vs. Futures
- Measuring exposure in future equivalent
- Designing a futures hedge handling basis risk
- Spot, interpolation and extrapolation hedges
- Options vs. futures hedges

### **Swaps and associated Products**

- Analyzing cashflows
- Constructing the discount function
- Hedging with swaps
- Basis vs. asset swaps

### **Asset and Liability**

- Why manage the balance sheet?
- The problems
- Net interest income vs. market value