

# Course : Interest rate risk management

Practical course - 2d - 14h00 - Ref. RTX

New practices in interest rate risk management have led to a host of changes in financial instruments and processes. This course, focusing on interest rate markets and hedging instruments, will provide you with the knowledge and tools you need to manage interest rate risks.

## Teaching objectives

At the end of the training, the participant will be able to:

- ✓ Knowing the players in the interest rate market
- ✓ Understand the stakes of good interest-rate risk management for your company
- ✓ Managing your interest rate risk

## Intended audience

Treasurers, financial managers and accountants.

## Prerequisites

Good knowledge of general accounting

## Practical details

### Hands-on work

This course is based on role-playing exercises and case studies, and teaches the skills needed to manage interest rate risks.

## Course schedule

### 1 Defining interest-rate risk

- The different players in the interest rate market.
- Defining interest-rate risk.
- Identifying different types of exposure.

### Hands-on work

Collective reflection and discussion on the interest-rate market.

## PARTICIPANTS

Treasurers, financial managers and accountants.

## PREREQUISITES

Good knowledge of general accounting

## TRAINER QUALIFICATIONS

The experts leading the training are specialists in the covered subjects. They have been approved by our instructional teams for both their professional knowledge and their teaching ability, for each course they teach. They have at least five to ten years of experience in their field and hold (or have held) decision-making positions in companies.

## ASSESSMENT TERMS

The trainer evaluates each participant's academic progress throughout the training using multiple choice, scenarios, hands-on work and more.

Participants also complete a placement test before and after the course to measure the skills they've developed.

## 2 Assessing interest-rate risk

- Interest cash flow forecasts.
- Global and static risk analysis.
- Elements of competitiveness.
- Impact on balance sheet and income statement.

### Hands-on work

Case study on the different methods of assessing interest-rate risk.

## 3 Process mapping and risk identification

- Risk identification.
- Gross risk and residual risk.
- Risk typology: endogenous and exogenous, inherent ...
- Risk mapping.
- Process mapping.

### Hands-on work

Case study on risk and process mapping.

## 4 Interest rate risk management policy

- Loan coverage thresholds.
- Choice between firm instruments and options.
- Check that coverage targets are met.
- Governance and drafting of a management charter.
- Definition of coverage parameters.

### Hands-on work

Drafting of a management charter.

## 5 The main hedging instruments

- Natural hedges: offsetting investments with index-linked contracts.
- Cash transactions.
- Derivatives.
- Interest rate swaps.
- Interest-rate options: cap-floor and swaption.
- Structured and hybrid products.
- Use of ISDA-FBF benchmarks.

### Hands-on work

Application of various hedging instruments.

## 6 Setting up and managing the internal control system

- The role and various components of the internal control environment.
- The role of the Board of Directors and the Audit Committee.
- The implementation of an internal control system in the risk management and reduction process.
- The different types of control.
- Risk management: monitoring indicators and the role of the risk manager.

### Case study

Implementation of an internal control system.

## TEACHING AIDS AND TECHNICAL RESOURCES

- The main teaching aids and instructional methods used in the training are audiovisual aids, documentation and course material, hands-on application exercises and corrected exercises for practical training courses, case studies and coverage of real cases for training seminars.
- At the end of each course or seminar, ORSYS provides participants with a course evaluation questionnaire that is analysed by our instructional teams.
- A check-in sheet for each half-day of attendance is provided at the end of the training, along with a course completion certificate if the trainee attended the entire session.

## TERMS AND DEADLINES

Registration must be completed 24 hours before the start of the training.

## ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

Do you need special accessibility accommodations? Contact Mrs. Fosse, Disability Manager, at [psh-accueil@orsys.fr](mailto:psh-accueil@orsys.fr) to review your request and its feasibility.

