

INTERMEDIATE STRATEGIES FOR MANAGING INTEREST RATE RISK

"Optimizing Risk Exposure in Dynamic Interest Rate Environments"

Schedule

Venue (InHouse)	Fees
At Your Organization Premises	Ask For The Quotation

► Available delivery methods: In-House Training

Introduction

This 5-day program offers finance, treasury, and risk professionals an in-depth understanding of how to identify, measure, and manage interest rate risk across financial institutions and corporate environments. Focusing on intermediate-level techniques, the course explores both traditional and derivative-based risk management tools, as well as regulatory requirements and stress-testing practices. The course combines theoretical frameworks with practical tools for hedging interest rate exposure, constructing risk models, and applying balance sheet management strategies in volatile rate scenarios.

Objectives

Participants will be able to:

- Identify types of interest rate risk (repricing, basis, yield curve, optionality)
- Apply gap analysis, duration, and Value-at-Risk (VaR) models
- Construct hedging strategies using swaps, options, and futures
- Assess the regulatory and accounting implications of interest rate hedging
- Simulate stress tests to evaluate portfolio sensitivity

Why Attend

- Enhance your capability to manage interest rate exposure in a rising or uncertain rate environment
- Strengthen your grasp of hedging tools and ALM frameworks
- Learn through real-world case studies, hands-on simulations, and peer discussions
- Bridge the gap between theory and real-time risk management

Target Audience

- Treasury professionals
- Risk and compliance officers
- Asset and liability management (ALM) teams
- Financial controllers
- Corporate finance analysts
- Investment professionals in fixed income

Individual Benefits

- Practical skills in rate modeling and hedging strategy construction
- Improved decision-making in treasury and portfolio risk settings
- Proficiency with risk analytics such as duration, DV01, and VaR
- Awareness of compliance, accounting, and regulatory considerations

Organizational Benefits

- More resilient balance sheet risk management
- Enhanced compliance with Basel, IFRS, and audit requirements
- Strategic positioning under varying interest rate scenarios
- Stronger treasury control and operational efficiency

Instructional Methodology

- Technical briefings and whiteboard walkthroughs
- Excel-based modeling and hedging simulations
- Real-world case study analysis
- Peer group workshops and scenario testing
- Risk metrics dashboard building

MAWA EVENTS

Address: No. 857, Block A2, Leisure Commerce Square - No 9., 46150 Petaling Jaya, Selangor, Malaysia

Phone: +601116373203 | **Email:** info@mawaevents.net



Course Outline

DETAILED 5-DAY COURSE OUTLINE (Customizable) Training Hours: 07:30 AM – 03:30 PM Daily Format: 3–4 Modules | Coffee breaks: 09:30 & 11:15 | Lunch Buffet: 01:00 – 02:00

Day 1: Foundations of Interest Rate Risk

- Module 1 (07:30 – 09:30): Introduction to Interest Rate Risk Types
- Repricing, basis, yield curve, and optionality risk
- Exposure across banking book and trading book
- Measuring impact on NII and EVE
- Module 2 (09:45 – 11:15): Balance Sheet Dynamics and Rate Sensitivity
- ALM concepts and interest rate scenarios
- Time buckets and repricing ladders
- Interest rate gaps and their implications
- Module 3 (11:30 – 01:00): Key Metrics: Duration, Convexity, and DV01
- Effective duration and key rate durations
- Convexity adjustments and non-parallel shifts
- Interpreting DV01 for portfolio sensitivity

Day 2: Analytical and Modeling Tools

- Module 4 (07:30 – 09:30): Gap Analysis and Rate Shock Scenarios
- Static and dynamic gap reports
- Rate shock simulations: parallel vs non-parallel
- Forecasting changes to earnings and equity
- Module 5 (09:45 – 11:15): Value-at-Risk for Interest Rate Exposure
- Duration-based VaR vs. historical simulation
- Assumptions, back-testing, and limitations
- VaR reporting for ALCO and regulators
- Module 6 (11:30 – 01:00): Excel Modeling Workshop
- Duration and DV01 modeling
- Yield curve shifts and repricing impact
- Interest rate gap simulation

Day 3: Hedging Strategies with Derivatives

- Module 7 (07:30 – 09:30): Interest Rate Swaps and Swap Valuation
- Mechanics of swaps, FRA, and basis swaps
- Using swaps for fixed/floating exposure management
- Mark-to-market and valuation metrics
- Module 8 (09:45 – 11:15): Hedging with Futures and Forward Rate Agreements
- Futures pricing and duration matching
- Applications in short-term rate hedging
- Margining and contract specifications
- Module 9 (11:30 – 01:00): Options-Based Hedging Strategies
- Caps, floors, collars – structure and pricing
- Optionality in callable/puttable bonds
- Strategies under rising/falling rate regimes

Day 4: Regulatory Frameworks and Risk Integration

- Module 10 (07:30 – 09:30): IRRBB (Interest Rate Risk in Banking Book)
 - Basel III guidelines and Pillar 2 expectations
 - EVE and NII under supervisory stress
 - ICAAP and regulatory disclosures
- Module 11 (09:45 – 11:15): IFRS 9 and Hedge Accounting
 - Fair value vs. cash flow hedge treatment
 - Hedge documentation and effectiveness testing
 - Risk disclosures and audit requirements
- Module 12 (11:30 – 01:00): Case Study: Building a Hedging Framework
 - Analyze an interest rate risk profile
 - Choose appropriate hedging instruments
 - Construct and justify a hedging strategy

Day 5: Stress Testing and Strategic Planning

- Module 13 (07:30 – 09:30): Stress Testing and Scenario Design
 - Constructing macroeconomic stress scenarios
 - Liquidity and rate shocks in tandem
 - Evaluating systemic vs idiosyncratic stress
- Module 14 (09:45 – 11:15): Strategic ALM and Rate Positioning
 - Rate forecasts and balance sheet adjustments
 - Prepayment risk, embedded options
 - Holistic ALM strategy: capital, liquidity, IRR
- Module 15 (11:30 – 01:00): Final Workshop and Simulation
 - Role play: Treasury & ALCO risk meeting
 - Present risk position, hedge plan, stress outcomes
 - Peer review and feedback

Certification

Upon completion, participants will be awarded a Certificate of Achievement in Intermediate Strategies for Managing Interest Rate Risk, validating their applied expertise in rate risk management, hedging, and ALM strategy.

Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
- **Industry-Leading Faculty:** Courses delivered by seasoned professionals with hands-on experience.
- **Practical Insights:** Learn to turn theory into actionable strategies for real-world business impact.
- **Client-Focused Solutions:** Customized programs designed to achieve your organisation's unique goals.

In-House / Customized Training

Interested in running this course for your team?

Please contact us:

TEL:

+601116373203

EMAIL:

info@mawaevents.net