

## STRATEGIC APPROACHES TO MANAGING INTEREST RATE RISK

*“Master the Tools, Models & Strategies for Navigating Rate Volatility”*

### Schedule

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

► **Available delivery methods:** In-House Training

### Introduction

Interest rate risk is one of the most significant market risks impacting financial institutions, corporates, and portfolio managers. With rates influenced by economic shifts, central bank policy, and global uncertainty, institutions must proactively manage their exposure to protect earnings and capital.

This course equips professionals with practical tools and frameworks to assess, hedge, and optimize interest rate risk across banking books, investment portfolios, and balance sheets. From foundational concepts to advanced hedging techniques, the course blends theory with real-world applications and strategy design

### Objectives

Participants will be able to:

- Understand the sources and impact of interest rate risk (IRR)
- Identify IRR exposure in the banking and trading book
- Apply measurement tools such as duration gap, EVE, and EaR
- Design appropriate hedging and mitigation strategies
- Integrate IRR into balance sheet management and risk appetite frameworks
- Prepare for regulatory requirements under IRRBB and Basel guidance

## Why Attend

- Gain hands-on experience using rate risk measurement models
- Learn how interest rate shifts affect capital, liquidity, and profitability
- Improve your organization's ability to manage rate scenarios proactively
- Explore strategies used by leading institutions for hedging rate volatility
- Be prepared for regulatory scrutiny and enhance internal risk oversight

## Target Audience

- Treasury, Risk, and Finance Professionals
- ALM and Market Risk Officers
- Bankers and Portfolio Managers
- Investment Analysts and Fixed Income Professionals
- Regulators and Auditors
- Corporate Treasury Executives

## Individual Benefits

- Master rate risk metrics and hedging strategies
- Strengthen forecasting and scenario analysis capabilities
- Improve communication of rate risk to senior management
- Build confidence in using duration and sensitivity analysis

## Organizational Benefits

- Enhance resilience to rate movements and policy shifts
- Strengthen compliance with regulatory IRRBB expectations
- Improve decision-making in funding, lending, and investment functions
- Reduce earnings volatility and protect capital buffers

## Instructional Methodology

- Interactive lectures with real-world case studies
- Excel-based modeling and scenario simulations
- Group strategy workshops
- Live hedging demonstrations
- Regulatory compliance exercises

## 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: Understanding Interest Rate Risk Fundamentals

- Module 1 (07:30 – 09:30): Sources & Types of Interest Rate Risk
- Module 2 (09:45 – 11:15): IRR in the Banking Book vs. Trading Book
- Module 3 (11:30 – 01:00): Macroeconomic Drivers & Yield Curve Dynamics

### Day 2: Measurement Tools and Risk Quantification

- Module 4 (07:30 – 09:30): Duration, Convexity, and Gap Analysis
- Module 5 (09:45 – 11:15): Earnings-at-Risk (EaR) and Economic Value of Equity (EVE)
- Module 6 (11:30 – 01:00): Rate Sensitivity Modeling and IRRBB Reporting

### Day 3: Scenario Planning and Risk Simulation

- Module 7 (07:30 – 09:30): Rate Shocks and Multi-Curve Forecasting
- Module 8 (09:45 – 11:15): Stress Testing and Scenario Design
- Module 9 (11:30 – 01:00): Regulatory Stress Testing (Basel IRRBB, ICAAP, SREP)

### Day 4: Strategic Hedging and Risk Mitigation Techniques

- Module 10 (07:30 – 09:30): ALM Strategies to Manage Rate Risk
- Module 11 (09:45 – 11:15): Derivatives & Instruments: Swaps, Futures, Caps/Floors
- Module 12 (11:30 – 01:00): Hedging Structures and Effectiveness Testing

### Day 5: Application, Integration, and Action Planning

- Module 13 (07:30 – 09:30): Linking Rate Risk with Capital and Liquidity Strategy
- Module 14 (09:45 – 11:15): Group Case Study: Designing a Rate Risk Mitigation Plan
- Module 15 (11:30 – 01:00): Final Review, Personal Action Plans & Certification

## Certification

Participants will receive a Certificate of Completion titled: \"Strategic Approaches to Managing Interest Rate Risk\", highlighting their readiness to measure, manage, and mitigate rate exposure across portfolios and balance sheets.

## 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:

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