

## Risk Management

- **Module Contents**

This module consists of two parts: functional and institutional risk management. The first part deals with risk measures as well as valuation of classical derivatives in financial markets. In particular, futures/forwards and options are considered as well as their possible applications in the context of financial risk management. The second part focuses on the treatment of risk with regard to supervisory regulations.

1. Part: Functional risk management
  - i. Introduction and risk management process
  - ii. Risk quantification
  - iii. Derivative securities
2. Part: Institutional risk management
  - i. Introduction to a bank-based perspective
  - ii. Capital and pillar 1
  - iii. Pillar 2

- **Competence Description**

After completing the course the students are able to

- (i) judge the appropriateness and problems of selected risk measures,
- (ii) independently determine the fair value of selected derivatives,
- (iii) understand and evaluate common capital market hedging strategies,
- (iv) address essential risks in banks and to understand their handling by supervisory regulations.

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