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COURSE BROCHURE

Interest Rate and Duration Risk Management Training Course

28 February – 4 March 2027
Kuala Lumpur

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Interest Rate and Duration Risk Management Training Course

Ref: 3199_121617 **Date:** 28 February – 4 March 2027 **Location:** Kuala Lumpur **Fees:** 4600 GBP

Interest Rate and Duration Risk Management is a 1-week training course for treasury, balance sheet and market risk staff who measure rate sensitivity and produce a Rate Exposure Limit and Hedging Proposal for their committee. Shifting yield curves, changing deposit behaviour and closer board scrutiny make rate sensitivity a standing agenda item for banks, insurers and corporate treasuries. Jupiter Prime Training runs this Interest Rate and Duration Risk Management course.

Why Interest Rate and Duration Risk Management Matters Now

Three forces shape rate exposure today. Yield curves move faster and twist more often, so a single parallel shock no longer describes the real threat to earnings or capital. Customers switch products quickly, shortening the behavioural life of balances. Asset and liability committees and boards now ask for clearer limits. An organisation that measures sensitivity well can hedge at the right cost and price products with confidence; one that measures it badly discovers unrealised losses and margin squeeze only after the curve has moved.

Who Gains Most from Interest Rate and Duration Risk Management

- Treasury dealers who place hedges and manage wholesale funding maturities
- Balance sheet analysts who run gap reports and earnings projections
- Market risk officers who calculate portfolio sensitivity and monitor limit usage
- Portfolio managers who answer for bond price volatility
- Planning staff who turn rate scenarios into budget forecasts

Treasury and risk teams of the same institution gain most when several members attend together, leaving with shared sensitivity measures.

Interest Rate and Duration Risk Management Capabilities

Participants move from reading duration figures to defending limits and hedges.

- Calculate modified duration, dollar value of a basis point and convexity — portfolio rebalancing decisions
- Build a repricing gap schedule — the asset and liability committee
- Test earnings and economic value under parallel, steepening, flattening and twist scenarios — the board risk appetite statement
- Design sensitivity limits and early warning triggers — the chief risk officer
- Weigh swaps, futures, caps and natural offsets by cost and basis risk — the treasurer's hedge choice
- Communicate rate exposure in short committee reports with clear actions — senior management and directors

Key Interest Rate and Duration Risk Management Terms

- Modified duration — the approximate percentage change in a bond's price for a one percentage point change in yield.
- Convexity — the curvature of the price and yield relationship, which weakens duration for large moves.
- Repricing gap — the difference between assets and liabilities that reset their rate within a given time bucket.
- Economic value of equity — present value of assets minus liabilities, showing long-term rate impact.
- Net interest income sensitivity — the projected change in interest earned less interest paid after a rate shock.
- Basis risk — the chance that a hedge and the exposure it covers follow different reference rates and stop moving together.

Interest Rate and Duration Risk Management Day by Day

Day 1: Rate Exposure in Context

- Yield Curve Shapes and Movements — Which Shocks Threaten Earnings
- Sources of Rate Exposure on the Balance Sheet — Where Risk Sits
- Earnings View Versus Economic Value View — Choosing the Primary Measure
- Rate Risk Appetite Statements — Board Tolerance for Margin Loss
- Roles of Treasury, Risk and Finance — Ownership of Exposure Decisions

Day 2: Measuring Price Sensitivity

- Weighted Average Time to Receive Cash Flows and Modified Duration — Ranking Holdings by Price Volatility
- Dollar Value of a Basis Point — Sizing Positions and Hedges
- Convexity Adjustment — Accuracy for Large Rate Moves
- Key Rate Duration — Exposure to Specific Curve Points
- Callable Bonds and Prepayable Loans — Negative Convexity in Portfolios

Day 3: Repricing Gaps and Earnings Scenarios

- Repricing Gap Schedules by Time Bucket — Spotting Mismatch Concentrations
- Behavioural Models for Non-Maturity Deposits — Realistic Liability Lives
- Net Interest Income Projections — Margin Impact Over Twelve Months
- Economic Value of Equity Shocks — Long-Term Capital Exposure
- Parallel, Steepener, Flattener and Twist Scenarios — Stress Coverage Choices

Day 4: Limits, Hedging and Reporting

- Sensitivity Limit Design and Calibration — Linking Limits to Capital Tolerance
- Interest Rate Swaps and Futures — Reducing Duration at Known Cost
- Caps, Floors and Natural Offsets — Protecting Margin Without Overhedging
- Hedge Effectiveness and Basis Risk — Accounting and Residual Exposure
- Committee Dashboards and Breach Escalation — Timely Action on Limit Breaches

Day 5: Practising the Rate Exposure Limit and Hedging Proposal

- Case Portfolio Duration Measurement — Applying Price Sensitivity Tools
- Case Balance Sheet Gap and Scenario Run — Applying Earnings Measures
- Hedge Alternatives Comparison — Applying Cost and Basis Trade-Offs
- Peer Challenge of Limit Proposals — Testing Assumptions Before Committee
- Rate Exposure Limit and Hedging Proposal — Final Committee-Ready Submission

Applying Interest Rate and Duration Risk Management After the Course

- Rerun the repricing gap schedule with revised deposit assumptions and present the change in net interest income sensitivity to committee.
- Compare key rate exposures against proposed limits and table one costed hedge option.

Interest Rate and Duration Risk Management Questions FAQ

What is Interest Rate and Duration Risk Management and why does it matter now?

Interest Rate and Duration Risk Management is the measurement and control of how rate changes affect asset values, funding costs and earnings. It matters now because curves move unevenly, customer balances shift quickly and boards expect clear limits and reporting.

Which roles gain most from Interest Rate and Duration Risk Management training?

Treasury, balance sheet and market risk staff gain most, especially if you run gap reports, size hedges or prepare committee papers in banks, insurers or corporate treasuries.

How does Interest Rate and Duration Risk Management differ from a general market risk course?

It focuses on one risk type in depth. A general market risk course spreads time across equities, currencies and commodities; this one stays with duration, gaps, limits and rate hedges.

What do you bring back from Interest Rate and Duration Risk Management training?

You bring back a committee-ready proposal that sets sensitivity limits, shows scenario results and compares hedge options by cost and basis risk.

Interest Rate and Duration Risk Management: The Way Forward

The Rate Exposure Limit and Hedging Proposal first informs whether current sensitivity sits inside tolerance and which hedge, if any, to place. Treasury uses it to act, risk uses it to monitor and the committee uses it to approve. After its first use, revisit the deposit behaviour assumptions, since they drive more of the result than any curve scenario.