



Course:

Risk Management Essentials in the Financial Services - Part I

Course Description

This course provides a comprehensive introduction to the fundamental concepts, principles, and practical applications of risk management in modern organizations and financial systems. The course is structured into four major sections that progressively guide participants from basic risk concepts to more advanced financial and market risk topics.

The presentation begins by explaining the meaning of risk, uncertainty, and the relationship between risk and reward. It introduces participants to different categories of risk, including pure versus speculative risk, systematic versus unsystematic risk, and internal versus external risks. Special attention is given to Black Swan events, cognitive biases, and human risk perception, helping participants understand how psychological factors influence decision-making under uncertainty. The seminar also explores concepts such as risk appetite, risk tolerance, risk culture, and the importance of resilience in both individuals and organizations.

The second section focuses on the Risk Management Framework and explains how organizations identify, assess, treat, monitor, and communicate risks. Participants are introduced to both qualitative and quantitative risk assessment techniques, as well as practical risk treatment options such as risk avoidance, reduction, transfer, and acceptance. The seminar further examines internationally recognized frameworks and standards including ISO 31000 and COSO ERM, highlighting their role in governance, compliance, and strategic decision-making. Important governance concepts such as the Three Lines of Defence model, the role of boards of directors, internal audit, compliance functions, and risk managers are also analyzed.

The third section introduces the broad landscape of financial risk. It explains major financial risk categories including market risk, credit risk, liquidity risk, operational risk, legal and regulatory risk, reputational risk, systemic risk, concentration risk, and counterparty risk. The presentation also discusses specialized areas such as foreign exchange risk, interest rate risk, inflation risk, behavioural risk in finance, and model risk. Real-world examples, including the 2008 Financial Crisis, the collapse of Lehman Brothers, the Volkswagen emissions scandal, and the COVID-19 pandemic, are used to demonstrate how interconnected financial risks can impact organizations and global markets.

The final section provides an introduction to market risk and examines how market movements affect investments, businesses, and financial institutions. Topics include equity risk, bond and interest rate risk, currency risk, commodity risk, real estate risk, volatility, market sentiment, diversification, correlation, and market cycles. Historical case studies such as the Dot-com Bubble, the 2008 Global Financial Crisis, the COVID-19 market shock, and the 2022 interest rate selloff illustrate how market crises develop and how risk management practices can help organizations improve resilience and preparedness. Overall, the seminar provides participants with a strong foundational understanding of risk management principles, financial risk exposures, and the importance of effective governance and strategic risk awareness in today's uncertain environment.

Topics covered

The course is split into the following sections:

Section 1: Understanding Risk

- What is Risk
- Risk vs. Uncertainty — What's the Difference?
- Risk vs. Reward — The Fundamental Trade-off
- Types of Risk
- Pure Risk vs. Speculative Risk
- Systematic Risk vs. Unsystematic Risk



- Internal vs. External Risk
- Known Risks vs. Unknown Risks
- What Is a Black Swan Event?
- The Risk Spectrum — From Low to High
- How People Perceive Risk Differently
- Cognitive Biases That Distort Risk Perception
- Availability Bias in Risk Decisions
- Recency Bias — Why We Overweight Recent Events
- Risk Appetite: What Is It and Why Does It Matter?
- Risk Tolerance vs. Risk Capacity
- Risk Culture — How Organizations Think About Risk
- The Relationship Between Risk and Time Horizon

Section 2: The Risk Management Framework

- What Is Risk Management?
 - Goals of Risk Management
- The Risk Management Process — Overview
 - Step 1: Risk Identification — Methods and Tools
 - Step 2: Risk Assessment — Qualitative Approaches
 - Step 3: Risk Assessment — Quantitative Approaches
 - Step 4: Risk Response/Treatment Options
 - Step 5: Risk Monitoring & Review
 - Step 6: Communication & Reporting
- Key Risk Management Standards — Overview
 - ISO 31000 — Principles Explained Simply
 - COSO ERM Framework — A Quick Tour
- Governance in Risk Management
- The Three Lines of Defence Model
 - First Line of Defence: Operational Management
 - Second Line of Defence: Risk & Compliance Functions
 - Third Line of Defence: Internal Audit
- The Role of the Risk Manager
- Board Responsibility in Risk Oversight
- Risk Management vs. Crisis Management
- Proactive vs. Reactive Risk Management
- Building a Risk-Aware Culture

Section 3: Identifying & Classifying Financial Risk

- What Is Financial Risk?
- The Main Categories of Financial Risk
 - Market Risk
 - Credit Risk
 - Liquidity Risk
 - Operational Risk
 - Legal & Regulatory Risk
 - Reputational Risk
 - Systemic Risk
 - Concentration Risk
 - Currency (Foreign Exchange) Risk



- Interest Rate Risk
- Equity Price Risk
- Commodity Price Risk
- Inflation Risk
- Counterparty Risk
- Settlement Risk
- Model Risk
- Behavioural Risk
- Interconnection Between Risk Types
- Risk Contagion — How One Risk Triggers Another
- Real-World Examples: Which Risk Triggered Which?
- Financial Risk in Different Sectors (Banks, Insurers, Corporates)
- Real Examples
 - The 2008 crisis
 - Lehman Brothers
 - The Volkswagen Emissions Scandal
 - The COVID-19 Pandemic and Financial Risk

Section 4: Introduction to Market Risk

- What Is Market Risk?
- Who Faces Market Risk?
- Market Risk in Everyday Life (Savings, Pensions, Mortgages)
- Equity Risk — Stocks and Portfolios
- Fixed Income Risk — Bonds and Interest Rates
- The Relationship Between Bond Prices and Interest Rates
- Currency Risk — FX Explained Simply
- Commodity Risk — Oil, Gold, Agriculture
- Real Estate as a Market Risk Asset
 - Why Real Estate Is Considered a Market Risk Asset
 - Main Risks in Real Estate Markets
 - The 2008 Housing Market Collapse
 - Real Estate as an Investment and Diversification Tool
- What Makes Markets Move?
- The Role of Market Sentiment
- Volatility — The Heartbeat of Market Risk
 - What Is Volatility? (Definition)
 - Historical Volatility vs. Implied Volatility
- The VIX — The "Fear Index" Explained
 - What High VIX Readings Have Predicted Historically
 - VIX in Practice
- Market Correlation — When Assets Move Together
- Diversification as a Risk Tool
 - The Limits of Diversification
- Market Cycles — Bull, Bear, and Sideways
- How Market Risk Materializes in a Crisis
- The Anatomy of a Market Crash
- Case Studies
 - The Dot-com Bubble (2000)
 - The 2008 Global Financial Crisis
 - COVID-19 Market Shock (2020)



- The 2022 Rate Hike Selloff
- Common Threads Across Market Crises

Course Duration

This course may take up to 5 hours to be completed. However, actual study time differs as each learner uses their own training pace.

The course is addressed to:

This course is addressed to all individuals who are involved in Investment Firms (forex, brokers, etc), Funds' industry, Funds Management industry, risk analysts and risk officers, banking and financial services employees, Electronic Money Institutions and Payment Service Providers employees, consultants, professionals in finance industry and in general to all professionals who are interested to learn and enhance their knowledge about risk management.

Training Method

The course is offered fully online using a self-paced approach. The learning units consist of power point presentations. Learners may start, stop and resume their training at any time.

At the end of the course, participants take a Quiz to complete the course and earn a Certificate of Completion once the quiz has been passed successfully.

Registration and Access

To register to this course, click on the [Take this course](#) button to pay online and receive your access instantly. If you are purchasing this course on behalf of others, please be advised that you will need to create or use their personal profile before finalizing your payment.

Access to the course is valid for 90 days.

If you wish to receive an invoice instead of paying online, please [Contact us by email](#). Talk to us for our special Corporate Group rates.

Instructor

With more than 10 years of experience, Nektarios is an expert in the financial services industry, having worked in key roles at investment funds, CIFs and other service providers. His exposure to the industry allowed him to gain knowledge in a variety of vital investment functions.

Complementing his practical knowledge of the industry, Nektarios also holds a number of professional and academic qualifications, including CySEC's Advance Certification. He is currently employed by an Investment Fund.