The Graduate Diploma of Applied Finance (Financial Risk Management) is a specialist program for early to mid-career professionals wishing to take their careers in financial risk management to the next level. It is designed for those working for financial institutions, regulators or in consulting practices serving the financial risk management profession. The curriculum has been designed to reflect Australian conditions and regulatory frameworks. It is endorsed by RMA Australia so applicants and employers alike can be confident that it matches the needs of Australian industry.

**Benefits**

- Curriculum endorsed by Risk Management Association (RMA) Australia
- Classroom experience allows students to debate, question and discuss the complexities and practicalities of financial risk management
- Special networking events (in conjunction with RMA) and professional seminars for students and alumni
- Access to state-of-the-art academic library and online databases
- Taught at Master’s level and articulates to the industry-leading Master of Applied Finance
- Additional benefits available to RMA members

**Program of study**

<table>
<thead>
<tr>
<th>Units of study</th>
<th>Credit points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compulsory units</strong></td>
<td></td>
</tr>
<tr>
<td>Portfolio Management and Valuation</td>
<td>4 credit points</td>
</tr>
<tr>
<td>Financial Risk Management</td>
<td>4 credit points</td>
</tr>
<tr>
<td><strong>Additional four units from the following</strong></td>
<td></td>
</tr>
<tr>
<td>Credit and Lending Decisions</td>
<td>2 credit points</td>
</tr>
<tr>
<td>Credit Portfolio Management</td>
<td>2 credit points</td>
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<tr>
<td>Investment and Credit Analysis</td>
<td>2 credit points</td>
</tr>
<tr>
<td>Modelling Prices and Risk</td>
<td>2 credit points</td>
</tr>
<tr>
<td>Operational Risk Management</td>
<td>2 credit points</td>
</tr>
<tr>
<td>Strategic Bank Management</td>
<td>2 credit points</td>
</tr>
<tr>
<td><strong>Total of 16 credit points</strong></td>
<td></td>
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</tbody>
</table>

**Program details**

<table>
<thead>
<tr>
<th>Credit points</th>
<th>16 credit points</th>
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</thead>
<tbody>
<tr>
<td>Duration</td>
<td>The minimum completion time is 12-15 months</td>
</tr>
<tr>
<td>Commencing</td>
<td>Sydney, Term 3, 20 June 2016</td>
</tr>
<tr>
<td></td>
<td>Melbourne, Term 3, 20 June 2016</td>
</tr>
<tr>
<td>Entry requirements</td>
<td>A Bachelor’s degree in a relevant field or recognised equivalent, and two years’ relevant professional work experience. Applicants with no prior studies in a relevant field complete MAFC’s Graduate Certificate of Finance (or equivalent) prior to entry.</td>
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<tr>
<td>Delivery</td>
<td>Part-time</td>
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<tr>
<td></td>
<td>Taught at MAFC’s Centres in Sydney CBD or Melbourne CBD</td>
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<tr>
<td>Articulation</td>
<td>Articulates to the Master of Applied Finance</td>
</tr>
<tr>
<td>Apply</td>
<td>Applications are accepted online via <a href="http://mafc.mq.edu.au">mafc.mq.edu.au</a></td>
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</tbody>
</table>

**Career opportunities**

These days risk is considered everyone’s responsibility in financial institutions; knowledge of risk can be applied to almost any role in the finance industry. Staff with specialist risk knowledge and experience are in high demand.

The popular ‘3 lines of defence’ model means that many firms have independent risk teams and the Chief Risk Officer is typically a member of the most senior executive committee. Professional services firms have large risk advisory practices that have grown and flourished along with increased regulatory requirements.

The need for staff with a deep understanding of risk across a range of risk areas has never been greater.
CREDIT PORTFOLIO MANAGEMENT
Students will gain a working knowledge of credit risk management at the portfolio level and relevant credit models. The unit covers: credit portfolio characteristics (including default correlation), active credit portfolio management in banks, the regulatory environment, credit derivatives, structured credit and counterparty credit risk.

INVESTMENT AND CREDIT ANALYSIS
ICP covers the use of advanced financial analysis and modelling techniques designed for analysis of individual firms. The unit will allow students to explore the linkage between a company’s strategy and industry competitive structure and financial performance.

MODELLING PRICES AND RISK
This unit builds an understanding of modelling techniques for prices in liquid markets (currencies, commodities, equities). We consider techniques for analysing the distribution of possible prices over both short and medium term horizons. Model risk is a focus of this unit, helping students to appreciate the deficiencies of all models, to consider incentives and to think creatively of risk management solutions using a variety of case studies. Techniques include simulation analysis, mean reversion models, GARCH models (for changing volatility), analysis of correlation and heavy-tailed distributions for modelling extreme events. Case studies and computer workshops are used in class.

OPERATIONAL RISK MANAGEMENT
ORM explores the challenges of implementing an operational risk management program. It builds on the introductory treatment of operational risk in the core unit: Financial Risk Management. There is some treatment of modelling issues (e.g. Extreme Value Theory for modelling risk events). However the focus of the course is on the treatment of operational risk through analysis and improvement of business processes, while balancing the need to maintain business efficiency. Case studies and examples are used to draw out the challenges in risk treatment/mitigation, obtaining commitment from all staff to risk processes and creating effective operational risk systems.

STRATEGIC BANK MANAGEMENT
This elective will allow students to navigate the new dynamics of the financial system and the objectives of the various stakeholders within that system, and to create management frameworks that work effectively within the complex regulatory constraints on financial firms. The unit investigates the inherent trade-offs in the design of incentives and risk-adjusted performance measures, and guides students to create bank business strategies that can be operationalised via credit concentration limits, delegated authorities, etc. This elective also examines strategic risk – it requires students to think critically about the evolution of the banking sector, and how traditional banks might need to adapt to counter the threats posed by disruptive new entrants into the marketplace.

FIND OUT MORE
This program is offered within the portfolio of specialisations for the Graduate Diploma of Applied Finance. Learn more at mafc.mq.edu.au
**Teaching faculty**

**ELIZABETH SHEEDY**  
PhD(Macq) BCom(UNSW)  
PROGRAM DIRECTOR

Elizabeth Sheedy is a financial risk expert who has been teaching at Masters level for more than 20 years. Prior to joining the University she worked for Macquarie Bank and Westpac, where she gained a broad knowledge of all aspects of risk (credit, operational, liquidity, market). She is responsible for all units in the Risk Management specialisation in the Master of Applied Finance program. Associate Professor Sheedy has enjoyed a long association with the Risk Management Association and co-edited *The Professional Risk Managers' Handbook*. In previous years her research focussed on quantitative risk modelling. More recently her research focus has shifted to the role of governance and culture in determining outcomes for banks.

**MAX MORLEY**  
BCom(Hons)(UQ) SF Fin GAICD  
HONORARY FELLOW

Max has been active in banking and financial markets for over 30 years. Most recently he led Westpac’s Institutional Bank in Queensland carrying primary responsibility for the locally-based client coverage team. In this role he had accountability for the geographic strategy to deliver the full suite of wholesale banking products (debt and related hedging products, foreign exchange, carbon, energy & commodities, transactional banking and trade finance offerings) to the bank’s Queensland corporate and institutional client base.

**PAUL KENNEDY**  
PhD(Cambridge) BSc(Hons)(UCL)  
HONORARY FELLOW

Paul has worked for over 20 years with blue-chip financial institutions to help them build and implement better risk management frameworks, and has held roles across all major classes of risk (market, credit, operational, and compliance), with experience from operational levels up to direct engagement with Boards and with global regulators. Paul spent 10 years working in the financial industry in Switzerland, before moving to Australia, where he established the Research and Risk Analysis function for one of the financial regulators, before moving back into the commercial world.

**LUKE GOWER**  
PhD(ANU) BCom(Hons 1)(Wollongong)  
HONORARY FELLOW

Luke is the Principal Adviser and Associate Director of Financial Risk Management at KPMG and has over 15 years of experience in various research and risk management roles. Luke is heavily involved in liquidity risk management projects for several banks, and has recently been leading engagements for KPMG in bank-wide stress testing.

**Industry consultation**

MAFC’s faculty has close working relationships with Australia’s peak industry body, RMA Australia, and distinguished alumni of the Master of Applied Finance program. MAFC is delighted to have this support, highlighting for our students the contribution of the Graduate Diploma of Applied Finance (Financial Risk Management) to career development and professional opportunities.

**Professional recognition**

“RMA Australia is delighted to give its support to this exciting program offered by Macquarie University’s Applied Finance Centre. It offers risk professionals a unique opportunity to learn about the financial services sector and the critical role of risk management. The RMA couples the support of an experienced mentor from the industry with the opportunity to establish a professional network by attending RMA events.”  
(RMA Australia, 2016)

RMA’s events, special interest forums and online resources span the broad range of risks including credit, market, operational, compliance, liquidity, regulatory, technology, cyber crime, and payments risk disciplines across retail and business banking services, institutional banking and capital markets, wealth management and insurance.

Founded in the US in 1914, the Risk Management Association is the only association that specialises in promoting effective and prudent risk management practices for institutions of all sizes, across the entire financial services industry.

RMA Australia is affiliated with the US-headquartered RMA which has an international network of institutional and individual members. Since 2004, RMA Australia has been governed and operated as an independent chapter to represent members at a national level. It is considered the premier association for risk management professionals in the Australian financial services community.

To learn more, see rmaaustralia.org.au and rmahq.org.

**Advisory group**

The advisory group for this program comprises industry leaders. Our students benefit from this group’s valuable advice on curriculum design, ensuring its relevancy for Australian and global markets.

**MANNY ARABATZIS**  
GENERAL MANAGER AND HEAD OF WHOLESALE CREDIT, ASIA PACIFIC, EUROPE AND AMERICAS, ANZ

**KELLIE BENDA**  
CHIEF RISK OFFICER, ORIGIN ENERGY

**LYNN DONOHUE**  
SENIOR CONSULTANT, OFFICE OF THE CHIEF COMPLIANCE OFFICER, NAB

**MICHAEL FORREST**  
EXECUTIVE DIRECTOR, MACQUARIE GROUP

**JAMES GOW**  
CHIEF RISK OFFICER, ARAB BANK AUSTRALIA

**GLENN HOMAN**  
HEAD OF CREDIT, APRA

**MICHAEL MALONE**  
HEAD OF LIQUIDITY MANAGEMENT, GROUP TREASURY, CBA

**SIMON SCHWARZ**  
SENIOR CONSULTANT, ADEXUM CAPITAL
Learn more about this program and other specialisations. The **Graduate Diploma of Applied Finance** portfolio includes:

**GENERALIST APPROACH**

**BUSINESS VALUATION SPECIALISATION**

**FINANCIAL RISK MANAGEMENT SPECIALISATION**

**RETIREMENT OUTCOMES SPECIALISATION**

**TAILORED OFFERING**