

# Risk Management in Financial Contracts

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2025-2026 / 2S – 12w Plan

Week	Date	Subject
1	20/2	§1. Introduction & Overview
2	27/2	§2. Risk Management Dimensions
3	6/3	§2. Risk Management Dimensions (cont.)
4	13/2	§3. Corporate Governance & ESG Risk Management
5	20/3	§3. Corporate Governance & ESG Risk Management (cont.)
6	27/3	§4. Raising Funds
	3/4	<b>Easter Break</b>
7	10/4	§5. Risk Management as a Contractual Issue
8	17/3	§5. Risk Management as a Contractual Issue (cont.)
9	24/4	§6. Conclusion: Risk Management Use Case
10	8/5	§6. Conclusion: Risk Management Use Case (cont.)
11	15/5	§6. Conclusion: Risk Management Use Case (cont.)
12	22/5	Final Discussion. Evaluations and Conclusion



# Risk Management & Financial Contracts

## **§1. Introduction & Overview**

- I. Financial markets as risk transfer markets
- II. Financial Markets Structure and Regulation
- III. Financial Institutions
- IV. Financial Instruments



# §1. Introduction & Overview

- Financial system
- Financial markets: concept and types
- Primary, secondary, OTC
- Regulation: really needed, why?



# §1. Introduction & Overview

- Financial institutions: types
- Financial intermediation as a structural feature
- Financial intermediation and risk management
- Risk transfer vs. risk mitigation and coverage



# §1. Introduction & Overview

- Financial instruments: concept and types
- Equity and debt
- Structured and derivatives & Synthetic products
- Other: Certificates, Convertibles, CL Notes, etc.



# Risk Management & Financial Contracts

## **§2. Risk Management Dimensions**

- I. Risk management as a systemic and regulatory issue
- II. Risk identification, measurement, tolerance, monitoring and reporting
- III. Risk management as a corporate governance issue
- IV. Risk management as a contractual issue



## §2. Risk Management Dimensions

- Types of risk: financial, operational, reputational
- Systemic and idiosyncratic
- Regulatory approach to risk: *Basel I, II, III & IV* framework
- Banking activity and prudential ratios (capital (T1&T2), liquidity (LCR & SFR), leverage (LR), additional buffers: Conservation; Counter-cyclical; G-SII; O-SII; Systemic; CRR).



## §2. Risk Management Dimensions

- Risk management life-cycle
- Identification, Measurement, Tolerance, Mitigation, Coverage, Monitoring (KRI) & Reporting (*IFRS8 – Operating Segments*)
- Scenario analysis
- Stress tests and reverse stress tests



## §2. Risk Management Dimensions

- Risk management and governance
- Risk management vs. audit & compliance: Internal control system
- Contractual risks, systemic risk and contagium effects
- Risk at contracts negotiation, execution and litigation (indemnities, warranties, liability caps)



# Risk Management & Financial Contracts

## **§3. Corporate Governance & ESG Risk Management**

- I. ESG: status of the art at UN & EU level
- II. Key E-S-G topics
- III. Governance and internal control functions
- IV. Risk management & Internal control



## §3. Corporate Governance & ESG Risk Management

- Key ESG topics (transparency, performance and resilience):
- E – Climate change and GHG emissions, Biodiversity, Pollution and resources efficiency
- S – Labour practices, DEI, Human rights, consumers and community
- G – Board structure and independence, Compensation, Ethics, Accountability



## §3. Corporate Governance & ESG Risk Management

- UN PRI's, SDG's and Global Compact
- EU Green Deal and Taxonomy
- CSRD and CS3D and Green Washing
- ESG Litigation



## §3. Corporate Governance & ESG Risk Management

- Green and social financing
- Green loans and bonds
- Social and ESG-linked bonds
- Key principles and use of proceeds guidelines



# Risk Management & Financial Contracts

## **§4. Raising Funds**

- I. Equity & debt and the special case of risk capital structures
- II. Hybrid Instruments, Securitization & Project Financing
- III. Bank loans and contractual guarantees (Single & Syndicated loans)
- IV. Standard loan agreement structures (ISDA, LMA, ICMA) and green financing



## §4. Raising Funds

- Equity, debt and hybrid instruments
- Venture capital and venture debt
- Corporate and project financing & Single and syndicated loans
- Conventional lending and green financing



## §4. Raising Funds

- Securitization structures and operations
- EU Directive 2021/2167, of 24/11 & DL 453/99, of 5/11
- EU Regulation 2017/2402, of 12/12
- Securitization and contagium risks



## §4. Raising Funds

- Banking loans and contractual guarantees
- Standard loan agreements structures
- Usual guarantees: asset based vs. personal; accessory vs. independent
- Limits on raising funds and guarantees provision (usury?)

