

## FINANCIAL RISK MANAGEMENT

### A summary on designating a hedging relationship

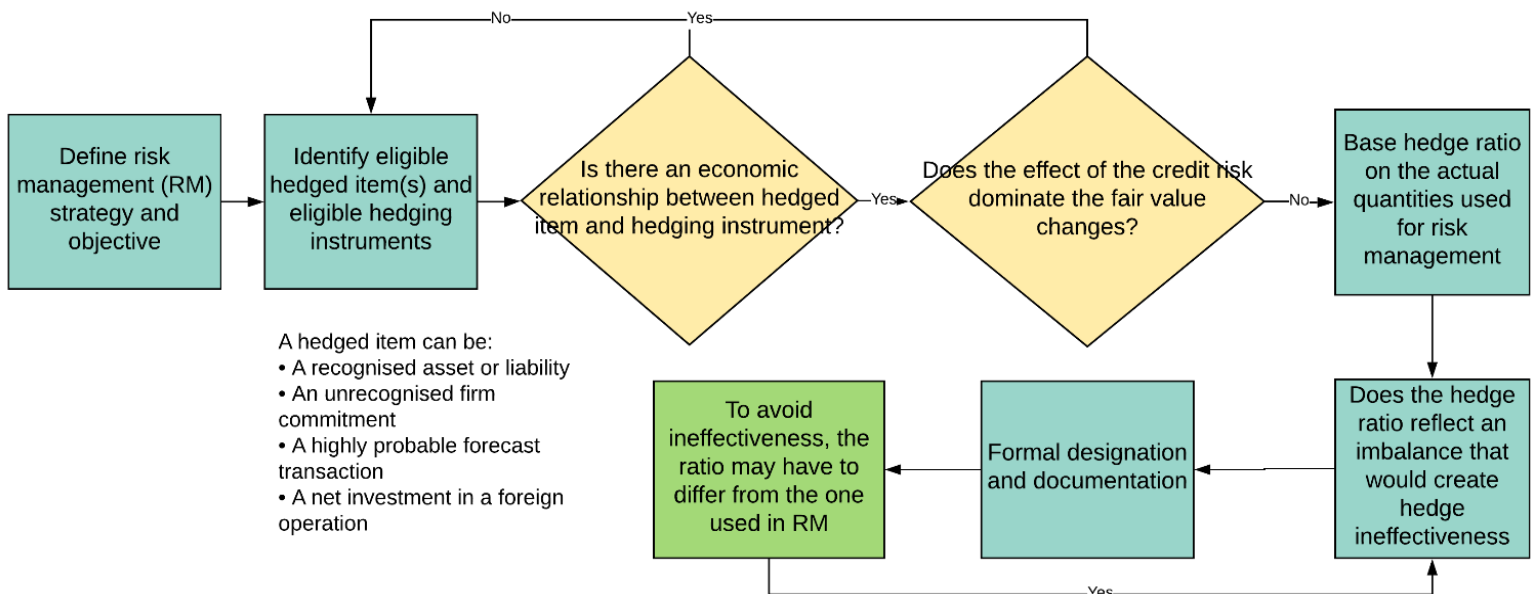


#### What is hedging?

The aim of hedging is to mitigate the impact of non-controllable risks on the performance of an entity. Common risks are foreign exchange risk, interest rate risk, equity price risk, commodity price risk and credit risk.

#### Achieving hedge accounting

The required steps for designating a hedging relationship can be summarised in the following flowchart:



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