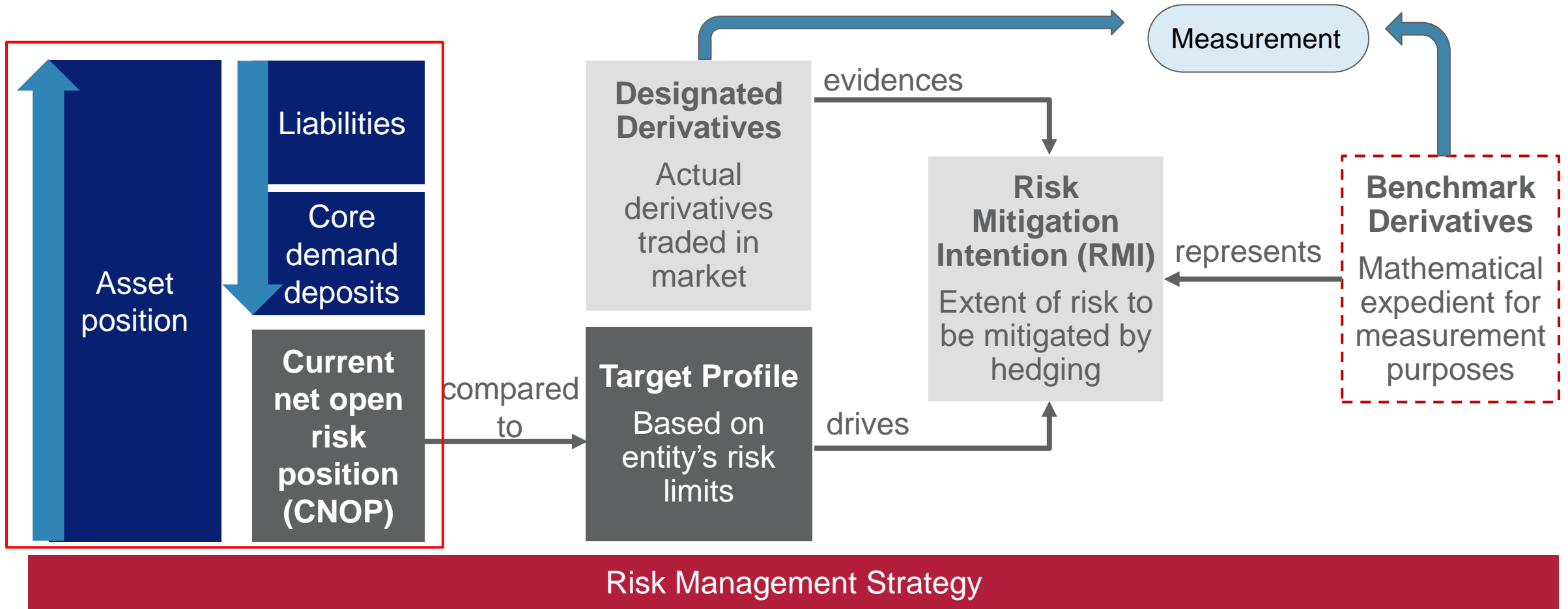
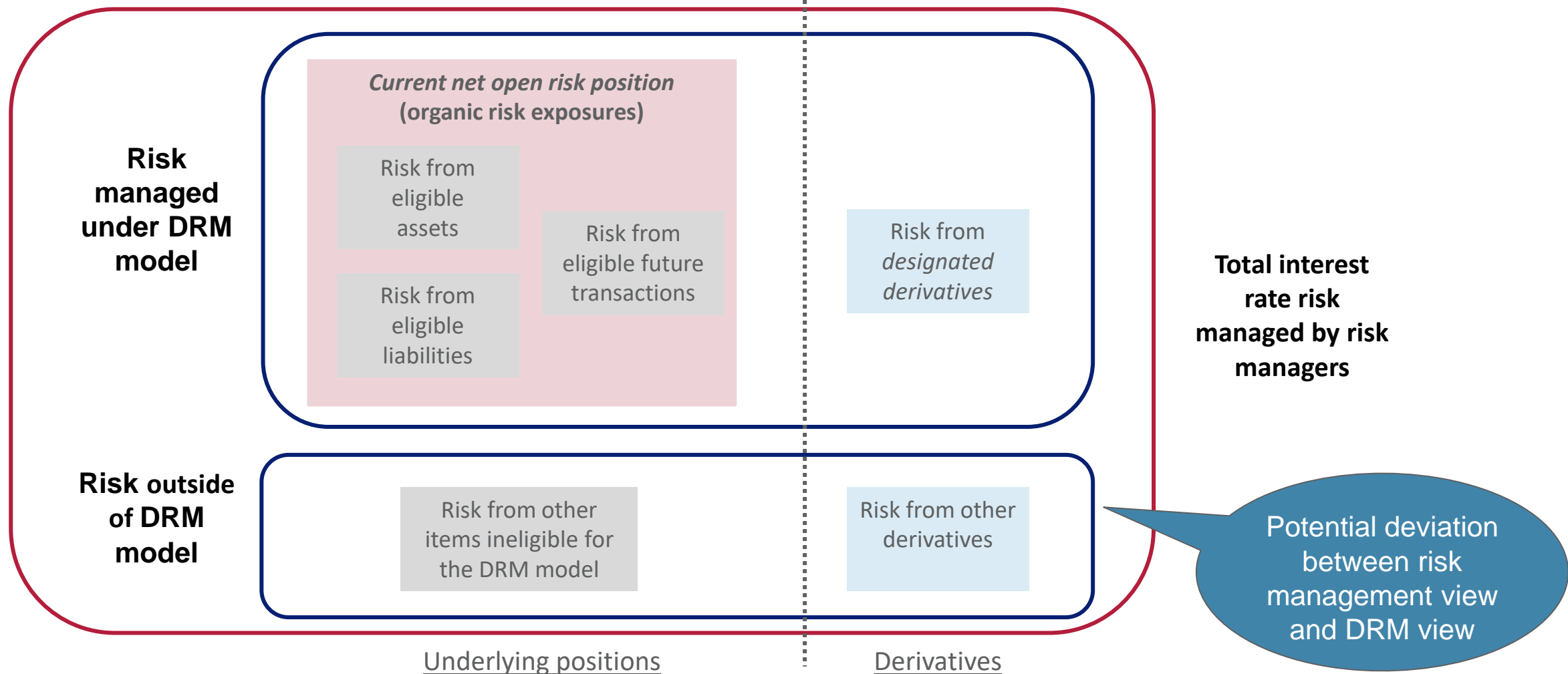

Dynamic Risk Management Webcast

Current net open risk position

Elements of the DRM model

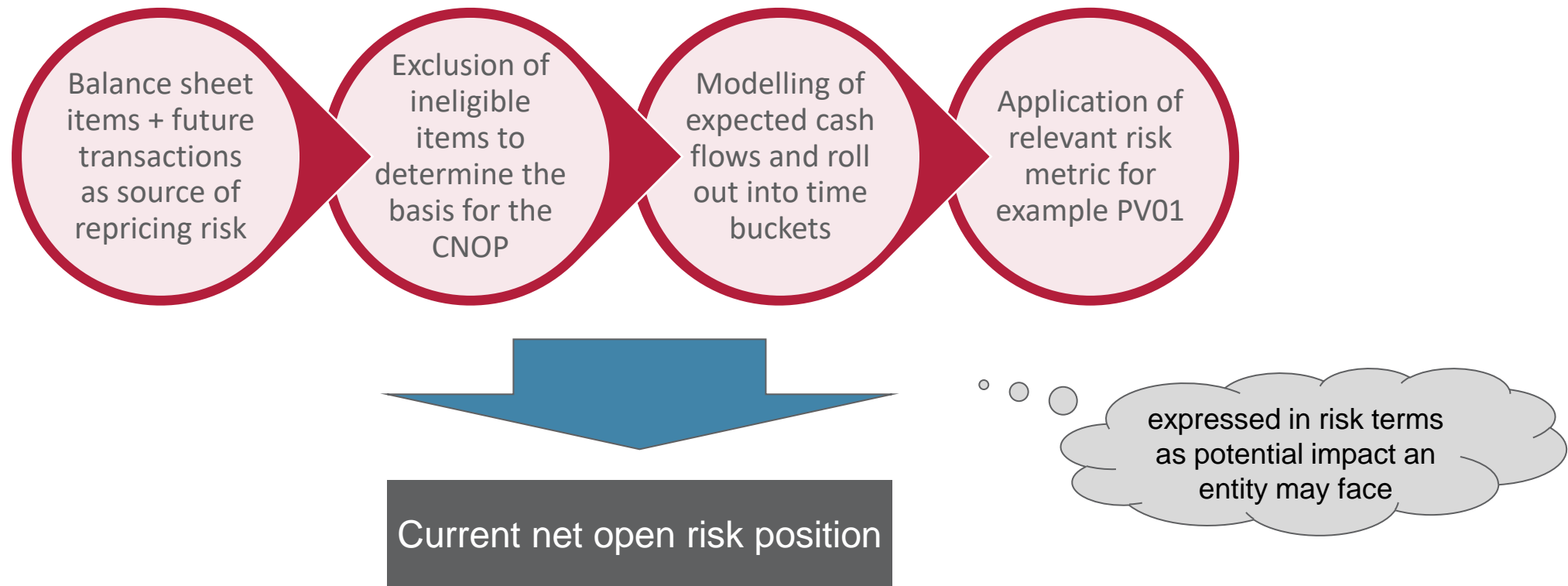


Current net open risk position (CNOP)



Current net open risk position (CNOP)

Entities may work out their CNOP for DRM purposes in various ways as per their risk management strategy. Some key process steps are illustrated below:



Current net open risk position



Question

- How does the concept of CNOP interact with the notion of residual risk / the target profile?

Response

- CNOP is the total risk exposure excluding derivatives. We call it an entity's organic risk exposure
- Residual risk is the position after the entity's risk management activities
- Target profile is not a real position but a range of risk positions an entity is willing to accept

Connect



[ifrs.org](https://www.ifrs.org)



[IFRS Foundation](https://www.linkedin.com/company/ifrs-foundation/)



[@IFRSFoundation](https://twitter.com/IFRSFoundation)



[IFRS Foundation](https://www.youtube.com/user/IFRSFoundation)

