Financial Risk Analyst Job Description

Duties and Responsibilities:

- Analyzes the firm's market position applying complex modeling techniques to find value at risk (VAR) measurements
- Protects the firm's assets and public image
- Undertakes quantitative analysis using financial packages and software, including portfolio management software
- Assists in developing financial strategies that achieve the firm's targeted financial returns and risk
- Provides evaluations of the firm's risk, including generation of value at risk (VAR), interest and spread duration, and equity duration
- Responsible for maintaining data used for identifying, collecting, capturing, analyzing, and measuring risks and income simulation measures
- Leads the process and work closely with other Bank staff to ensure timely and correct production of reporting requirements
- Assists in maintaining a professional risk control environment that is conducted within risk limits, processes, and standards set for regulatory and operational risks of the Bank and as reviewed by the Auditors/Examiners
- Provides support for research projects, error checking, model validation, and income simulation
- Responsible for creating monthly Income simulation and review, including stress, back-tests, and reconciliation; as well as participates in quarterly simulation assumption updates
- Generates annual simulation using the firm's business plans
- Responsible for Gap report creation and analysis
- Tests proposed software upgrade and work with analytics vendor
- Responsible for error checking and the creation of automatic and/or programmed testing processes
- Participates in the portfolio profitability measurement process

- Actively participates in the model validation processes
- Participates in maintaining a professional risk control environment that is conducted within risk limits, processes, and standards that are set for regulatory and operational risks of the Bank and as reviewed by the Auditors/Examiners
- Responsible for the documentation of processes and procedures
- Tracks various issues under investigation and resolution process and provides management with regular reports on the status
- Coordinates the production of performance reports for management and presents results to management and business partners
- Responsible for identifying issues pertaining to compliance with state and federal regulations, and ensures that necessary policies, strategies, and procedures are implemented.

Financial Risk Analyst Requirements – Skills, Knowledge, and Abilities

- Education: Bachelor's Degree in Accounting, Finance, Economics, Statistics or Engineering. However, MBA or MS degree in Finance or Economics is a plus
- Certification: CFA (Chartered Financial Analyst) or FRM (Financial Risk Manager) certification is desired but not necessarily a requirement
- Knowledge: Financial risk analysts require strong financial knowledge, including knowledge of market risk, ALM, and valuation concepts with focus on fixed income and derivatives valuation, including MBS, CMBS, swaps, and options. Experience Knowledge and/or training in ALM modeling, fixed income analytics, planning, and income forecasting, or market risk (ALM or fixed income portfolio) at a financial institution
- Also, experience in financial modeling, forecasting, cost benefit analysis and cash-flow analysis; and experience in statistical/risk modeling and forecasting preferably related to financial services may also be required
- It is also essential that analysts have the ability to build and maintain financial models and perform comparative financial modeling using pertinent industry analysis and current assumptions. It is also vital they have skills in building business intelligence dashboards

- Analytical and statistical skills: Financial risk analysts should be highly numerate with strong Mathematical skills – working knowledge of mathematical optimization techniques such as linear and mixed-integer programming, including experience in stochastic optimization. It is also required that they possess a working knowledge of statistical methods such as linear and logistic regression, neural networks, decision trees, time-series and forecasting, K-means clustering, survival analysis, etc.
- Presentation skills: They require this skill to present findings, conclusions and alternatives, as well as provide clear explanations for complex and technical data in a clear and concise manner to users, management, and other staff
- Research skills: They require the ability to undertake research, analyze data, processes and trends
- Interpersonal skills: They require this skill to build effective relationships through rapport, trust, diplomacy and tact
- Decision Making: Risk analysts should be able to exercise initiative and using good judgment to make sound decisions.
- Computer skills: They require an Intermediate to advanced Excel knowledge, especially for financial modeling, and experience with analytical/data collection tools such as SAS, R, VBA, Python, SQL, MATLAB, and Database construction and management is a plus
- Financial Modeling: It is essential that they possess the skill to input and generate a series of complex reports; having knowledge of the assumptions (will not necessarily develop own assumptions) built into modern pricing theory for instruments. It is also vital that they understand and review inputs and reports for coherence and reasonableness.
- Strong verbal and written communication skills: Financial risk analysts require strong communication abilities to work effectively with people
- Stress management: It is essential that they have the capacity to cope with pressure and make rational and sound decisions even under pressure.
- They also require strong planning and organizational skills, as well as problem-solving ability.