## CONTENTS

CHAPTER 1

Overview 5

CHAPTER 2
Why Manage Risks? 7

CHAPTER 3
Identifying Financial Risk 13

CHAPTER 4

Managing Interest Rate and Currency
Exposures 21

CHAPTER 5

Managing Commodity, Equity and Credit
Exposures 38

CHAPTER 6
The Risk Management Process at J.P. Morgan 48

CHAPTER 7

Valuation and Market Risk 50

CHAPTER 8

Credit Risk and Credit Enhancement 58

CHAPTER 9
Financial Risk Management Controls 66

CHAPTER 10

Performance Measurement 74

CHAPTER 11

Accounting for Derivatives 81

CHAPTER 12

Tax Issues in the US 90