

2014



FRM Candidate Guide

Overview

The Financial Risk Manager (FRM®) designation is the most globally respected and widely recognized certification for financial risk management. The FRM Program ensures that Certified FRMs have mastered the necessary skills and knowledge to succeed in today's rapidly changing global financial industry. To achieve the status of Certified FRM, candidates must pass a rigorous two-part, practice-oriented examination and have two years of qualified work experience.

The FRM Exam is updated annually to be reflective of the latest trends in the global financial markets and is designed by a group of distinguished risk professionals and academics with diverse professional backgrounds. By preparing for the FRM Exam, you will gain knowledge that is useful on the job every day.

The FRM Exam Part I curriculum covers the tools used to assess financial risk:

- Quantitative analysis
- Fundamental risk management concepts
- Financial markets and products
- Valuation and risk models

The FRM Exam Part II curriculum focuses on the application of the tools acquired in Part I through a deeper exploration of:

- Market risk management
- Credit risk management
- Operational and integrated risk management
- Investment risk management
- Current market issues

After passing the FRM Exam Part II, candidates must demonstrate a minimum of two years of risk-related full-time professional experience to become a Certified FRM. No other financial risk designation requires its candidates to demonstrate related professional experience—so becoming a Certified FRM means considerably more than passing a test.

Achieving FRM certification provides you with a career-long way to expand your professional opportunities within the world of finance. You will become part of a network of Certified FRMs in over 100 countries. Moreover, employers know that Certified FRMs have the relevant knowledge with which to anticipate, respond and adapt to critical issues, providing them with an edge in their career and professional development.

The FRM Program is a career-long professional resource that positions Certified FRMs as the standard-bearers of the risk profession.

Enrolling in the FRM Program is straightforward; candidates register for the FRM Exam online via the GARP website. There are no educational or professional prerequisites to register for the FRM Exam.

The two-part FRM Exam tests progressive, cumulative knowledge. The concepts tested on Part I of the FRM Exam are needed for Part II. Once a candidate has passed Part I, they have four years to pass Part II. If a candidate does not pass the Part II Exam within that four-year time frame, they will be required to re-sit for Part I. If a candidate chooses to sit for both Part I and Part II on the same day, the candidate must pass Part I in order for GARP to mark the Part II Exam.

After passing both parts of the FRM Exam, a candidate must satisfy a work experience requirement to become certified and use the FRM designation. FRM candidates must demonstrate a minimum of two years of professional full-time work experience in the area of financial risk management or another related field including, but not limited to: trading, portfolio management, faculty academic, industry research, economics, auditing, risk consulting, and/or risk technology. A list of sample job titles that GARP uses for certification purposes is available on our website.

GARP's Continuing Professional Education (CPE) program provides Certified FRMs with a formal means to meet the growing demands of their profession while ensuring the ongoing integrity of their certification. The CPE Program requires 40 credit hours to be earned every two years. Although the FRM CPE Program is voluntary, Certified FRMs are encouraged to enroll in the program the year they are certified.



The FRM Exam



Structure and Content

On an annual basis, GARP's FRM Committee, comprised of prominent global risk management professionals and academics, establishes the topic areas to be tested in the FRM Exam. Further, to calibrate and benchmark its understanding of the demands of the global risk management community, GARP conducts

formal job task analysis surveys to determine the knowledge, skills and abilities required to function effectively as a financial risk manager around the world.

Once topic areas are determined, they are published in the FRM Study Guide. More detailed knowledge points associated with these topic areas are contained in the FRM AIM Statements, which are made available to registered FRM candidates.

FRM Exam Structure

The FRM Exam consists of two parts—Part I and Part II—that are both offered twice a year on the third Saturday of May and November. Part I is an equally-weighted 100 question multiple-choice

exam offered in the morning of the Exam day and Part II is an equally-weighted 80 question multiple-choice exam offered in the afternoon of the Exam day. Both Part I and Part II each have a maximum allowable time of four hours for completion.

It is important to note that Part I and Part II of the FRM Exam must be passed sequentially. Therefore, while it is possible to sit for both parts of the examination on the same day, a candidate must receive a passing score on Part I before GARP will mark his or her Part II examination. Most candidates elect to take Part I and Part II on separate Exam administration days.

FRM Exam Part I Content

Part I of the FRM Exam covers the fundamental tools and techniques used in risk management and the

theories that underlie their use. Specific areas of coverage and their weighting in the FRM Exam Part I are:

• Foundations of Risk Management (20%)

This area focuses on a candidate's knowledge of foundational concepts of risk management and how risk management can add value to an organization and includes:

- An understanding of corporate risk governance and the trade-off between risk and return
- The construction of efficient portfolios
- Fundamental asset pricing models
- Enterprise risk management frameworks
- Data quality management
- A review of major financial disasters
- To emphasize the importance of ethics as a fundamental requirement for sound risk management, applications of the GARP Code of Conduct to professional situations are covered in this section as well

• Quantitative Analysis (20%)

This area tests a candidate's knowledge of basic probability and statistics, regression and time series analysis, and various quantitative techniques useful in risk management such as:

- Monte Carlo methods
- Volatility forecasting models
- Value-at-Risk estimation

• Financial Markets and Products (30%)

This area tests the candidate's knowledge of financial products and the markets in which they trade, including:

- Futures and forwards
- Equity options, swaps, and other derivatives
- Commodities
- Currencies
- Corporate bonds and interest rates
- A basic understanding of arbitrage arguments and hedging related to these financial products

In 2013:

- **FRM candidates came from 141 different countries and territories**
- **There were a record 36,471 registrations for the FRM Exam**
- **Top 10 countries/regions with the most FRM candidates: China, India, U.S., South Korea, Hong Kong, Canada, United Kingdom, Singapore, Taiwan, Germany**

- **Valuation and Risk Models (30%)**

This area will test a candidate's knowledge of valuation techniques and risk models. This includes:

- Basic bond valuation and bond hedging
- Valuation using binomial trees
- An understanding of the Black-Scholes-Merton model
- Value-at-Risk (VaR)
- Expected and unexpected loss estimation
- Stress testing

FRM Exam Part II Content

Part II of the FRM Exam further applies the tools and techniques covered in Part I and delves more deeply into major sub-areas of risk management. Specific areas of coverage include:

- **Market Risk Management (25%)**

This section tests a candidate's knowledge of market risk measurement and management techniques. These include:

- Fixed-income interest rate sensitivities
- Volatility exposures
- Value-at-Risk (VaR) and backtesting VaR
- Expected shortfall (ES)
- Correlations and copulas
- Parametric and non-parametric estimation methods
- Extreme value theory (EVT)
- Exotic options and mortgage-backed securities

- **Credit Risk Management (25%)**

This area focuses on a candidate's understanding of credit risk management with some focus given to structured finance and credit products such as collateralized debt obligations and credit derivatives. Knowledge of counterparty risk is also tested, as well as default risk and methodologies used to measure it, such as Credit VaR.

- **Operational and Integrated Risk Management (25%)**

This section addresses a candidate's knowledge of two areas of increasing importance for many firms—operational risk management and integrated risk management. This includes:

- Coverage of the tools and techniques necessary to measure, manage, and mitigate operational risk
- Economic capital allocation
- Enterprise risk management (ERM)
- Knowledge of critical issues related to liquidity risk management, model risk, loss data modeling and IT infrastructure, stress testing, and risk appetite
- Importantly, this section also tests a candidate's knowledge of key regulations and the major international regulatory frameworks relevant to risk managers today, such as Basel

- **Risk Management and Investment Risk Management (15%)**

This area focuses on a candidate's knowledge of risk management techniques applied to the investment management process. Topics such as portfolio construction and performance analysis are covered, as well as risk budgeting and portfolio and component VaR. Issues related to hedge funds and private equity investments are also covered.

- **Current Issues in Financial Markets (10%)**

The candidate is expected to familiarize him/herself with the readings from this section, approaching each paper critically as a risk manager equipped with the knowledge from the other sections. This area of the Exam will test a candidate's knowledge of the material covered by each paper. Recent topics have included:

- Sovereign Risk and Financial Crisis
- Flash Crash
- Financial Innovation and Its Issues

Registering for the FRM Exam

Exam Dates

In 2014, the FRM Exam will be offered on May 17, 2014 and November 15, 2014.

Registration Periods

Candidates can register online for the FRM in one of three registration periods: Early, Standard, and Late. There is a difference in price between the three periods, which are detailed in the “Fees” section below.

Registering for Part II

Candidates can only register for FRM Part II after they have successfully passed Part I, unless they register to sit for both parts on the same day. It is possible to register to take both the FRM Exam Part I and Part II on the same day since Part I is always offered in the morning and Part II in the afternoon.

Please note that if a candidate elects to take Part II on the same day as Part I, their Part II will not be marked by GARP unless they first pass Part I. The reason for this is that the FRM Exam tests progressive, cumulative knowledge; the concepts tested in Part I are needed for Part II.

Fees

When registering for the FRM Exam for the first time, candidates pay both an enrollment fee and an Exam fee.

The enrollment fee covers the basic costs associated with developing the FRM Program and administering the FRM Exam. Candidates are required to pay the enrollment fee when they initially register for the FRM Program. The enrollment fee is to participate in the FRM Program, not to sit for the individual Exams, so you will not need to pay the enrollment fee again when registering for the FRM Exam Part II.

Additionally, the enrollment fee entitles you to a complimentary one year GARP Individual Membership (a US\$195 value).

Fees can be paid via secure online payment, by check (if drawn on a U.S. bank and payable in U.S. dollars), or by wire transfer. More information about fees can be found on GARP’s website.

Deferrals

An FRM candidate may only defer their Exam registration once to the next test date. Please note:

- A deferral to the next examination date must be submitted by the last day of registration. For example, the last day of registration for the May Exam is April 15; for the November Exam the last day of registration is October 15.
- There is an administrative processing fee of US\$100 that accompanies each Exam deferral. This fee must be payable via credit card at the time of your request.
- Suggested readings will change from Exam year to Exam year.

More information on deferring the FRM Exam can be found on GARP’s website.

Scholarships

GARP offers scholarships to full-time graduate-level students and university faculty taking the FRM Exam Part I only. The scholarship program is not available for the FRM Exam Part II and does not cover the FRM Program enrollment fee. Additional information on eligibility requirements can be found on GARP’s website.

Before Registration: A Checklist

Before registering for the FRM Exam, we suggest that you:

- Ensure that your current government-issued photo ID matches the name under which you are registering for the Exam.
 - Only a current and valid government-issued form of identification, which must include a photograph of the FRM candidate, will be accepted for identification purposes—for example, a country-issued passport or a driver's license. GARP will not accept work/employer identification cards, voter identification cards, PAN cards, a learner's permit or even a student identification card.
 - The name on your government-issued identification (passport, driver's license) must be exactly the same as the name on your Exam registration. For example, the name 李学成 cannot be used to register for the Exam; Xuecheng Li would be the correct name to use to register using the phonetic alphabet. We cannot list all forms of identification that are not acceptable. This is why we only accept an original country-issued passport or driver's license for admission.
- Familiarize yourself with key FRM Exam deadlines.
- Learn about GARP's Exam policies.
- Decide where to take your Exam.
- Review, understand and agree to GARP's Code of Conduct and Candidate Responsibility Statement.
- Evaluate your need for special accommodations for Americans with Disabilities (ADA), or request an alternative Exam date for religious reasons (RAD).

Over 90% of candidates who sat for the May 2013 FRM Exam would recommend that their colleagues also sit for the FRM Exam.



Preparing for the FRM Exam

To help candidates prepare for the FRM Exam, GARP provides study materials, practice Exams, and information on approved, third-party Exam preparation providers. Due to the sizeable amount of material covered in the Exam, we suggest that you create a

weekly study schedule that is designed to spread out learning of the material over an extended period. Cramming for the Exam in the few weeks leading up to it is not recommended.

Candidates' preparation times will vary based on their prior professional experience, academic backgrounds, and familiarity with the concepts tested on the curriculum. Therefore, it is difficult to recommend a particular number of hours to dedicate to studying. For some guidance, a survey conducted of May 2013 FRM Exam Part I candidates indicates that, on average, individuals devoted about 275 hours to Exam preparation.

Individual figures, however, varied from less than 100 hours (6%) to more than 400 hours (11%).

Recommended Study Plans

The **FRM Exam Preparation Handbook** was developed to assist FRM candidates in their preparation for the FRM Exam by suggesting strategies for completing the reading material outlined in the FRM Study Guide and FRM AIM Statements documents, which together form the blueprint for Exam topic coverage. The Handbook contains a 20-week sample plan for Part I and a 20-week plan for Part II. It can be downloaded from the FRM Study Center on GARP's website.

FRM Facts

- **More than 6,000 different organizations had candidates register for the 2013 FRM Exam**
- **36 organizations had 100 or more registrations for the 2013 FRM Exam, and 11 organizations had 250 or more registrations**
- **25 of the top 25 global banks are represented by Certified FRMs**

Study Materials

- The **FRM Study Guide** contains a full listing of all the readings that are recommended as preparation for the FRM Exam. In addition, Key Concepts appear as bullet points at the beginning of each section of the Study Guide and are intended to help candidates identify the major themes and knowledge areas associated with each section.
- The **AIM Statements** contain the suggested readings and Key Concept information that are in the Study Guide, as well as more detailed knowledge points that form the basis for the FRM Exam questions. To facilitate a candidate's preparation, each knowledge point in the AIM Statements is associated with a suggested reading from the Study Guide which supports and explains it. Candidates who compare the Key Concepts to the knowledge points will note that in most cases several knowledge points are related to each broader Key Concept.
- **FRM Exam Part I Books.** The complete set of four individual books needed to prepare for the FRM Exam Part I includes: Foundations of Risk Management; Quantitative Analysis; Financial Markets and Products; and Valuation and Risk Models. The FRM Part I books contain solved problems from previous FRM Exams. These actual FRM questions come with explanations to assist candidates in their preparation. The FRM Exam Part I books are available in printed format only.

- **FRM Exam Part II Books.** The five FRM Exam Part II books cover topics related to market risk management, credit risk management, operational risk management, risk management and investment management and current issues in financial markets. The FRM Exam Part II books are available in printed format only.
- **Practice Exams** are available for free on the GARP website, and candidates are strongly encouraged to download and take the FRM practice exams. Practice exams will provide candidates with a good sense of the question types to expect when sitting for the actual FRM Exam, and will allow the candidate to estimate how much time they can expect to spend answering individual questions. Each practice exam contains multiple-choice questions, and the downloaded file includes candidate answer sheets, Exam questions, Exam answer keys, and detailed explanations for all answers.

Exam Preparation Providers

Some candidates for the FRM Exam may wish to study the Exam material with the assistance of an FRM Exam preparation provider. Exam preparation providers may offer courses online or in person.

GARP provides FRM candidates with a list of providers on its website as a service to them. Please note that GARP does not endorse, promote, review or warrant the accuracy of the products or services offered by Exam preparation providers of FRM-related information, nor does it endorse any pass rates claimed by the Exam preparation provider. Further, GARP is not responsible for any fees or costs paid by the user to an FRM Exam preparation provider.

Study Groups

While the FRM curriculum is designed to be a self-study undertaking, many candidates find that studying with their peers positively impacts their Exam preparation. You can connect with other FRM candidates to form study groups by joining our Facebook or LinkedIn groups. Alternatively, many GARP Professional and University Chapters now facilitate study group sessions that enable FRM candidates in the same city or region to meet each other and ask GARP Regional Chapter Directors questions about the Exam.

Sitting for the FRM Exam

The FRM Exam is a pencil and paper multiple-choice exam offered exclusively in English. It is offered in person at approximately 90 Exam sites around the world. This in-person approach ensures that there is fairness and consistency for all candidates, globally.

Exam Locations

Both the FRM Exam Part I and Part II are administered at the same Exam sites. However, while cities remain the same, locations within each city may change from year to year. A complete list of Exam sites is available on the GARP website.

Identification

Upon your arrival at one of the Exam sites, only a current and valid government-issued form of identification, which must include a photograph of the FRM candidate, will be accepted for identification purposes. The name on your government-issued identification (passport, driver's license) must be exactly the same as the name on your Exam registration. Refer to *Before Registration: A Checklist* on page 7 of this document for more information, or visit the GARP website.

Calculators

Only GARP-approved calculators are permitted to be used at the FRM Exam. Use of a non-authorized calculator during the Exam will result in the candidate's answer sheet not being graded, and the candidate will receive no score for the Exam. Candidates may not consult the operator's manual for their calculator during the Exam. Calculator memory must be cleared prior to the start of the Exam.

The calculators approved for use during the FRM Exam are:

- Hewlett Packard 12C (including the HP 12C Platinum and the Anniversary Edition)
- Hewlett Packard 10B II
- Hewlett Packard 10B II+
- Hewlett Packard 20B
- Texas Instruments BA II Plus (including the BA II Plus Professional)

GARP's calculator policy should be reviewed on the GARP website in advance of Exam day.

Prohibited Items

In order to maintain the integrity of the testing process, no cameras, mobile phones (including smartphones or iPhones), computers, pagers, headsets or PDAs are permitted. Additionally, baggage of any kind, such as backpacks, handbags, tote bags, briefcases, laptop bags, luggage, carrying cases or pencil cases, is not permitted in the testing room, although it may be stored in a designated area away from the testing room during the examination.

A full list of permitted and prohibited items can be found on the GARP website under "Exam Center/Room Policies."

Duration of the Exam

Each part of the FRM Exam is four hours long. Part I consists of 100 multiple-choice questions and Part II contains 80 multiple-choice questions. Part I is offered in the morning session and Part II in the afternoon session of each Exam administration.

Scoring the Exam

There are no penalties for incorrect answers. Candidates sitting for both parts of the FRM Exam in the same Exam administration must pass Part I of the FRM Exam in order to have Part II graded. The passing score is determined by the FRM Committee.

Exam Violations

GARP seriously reviews each and every Exam Violation Report. We have listed some of the violations that have resulted in a Candidate Violation Report being filed and, subsequently, a candidate's Exam not being graded:

- Candidate began the Exam early
- Candidate opened the examination booklet early
- Candidate continued to write after the session ended
- Candidate brought a cellular telephone into the examination room
- Candidate was caught cheating
- Candidate violated GARP's calculator policy

Exam Results

Exam results are pass/fail and are released via email approximately six weeks after the Exam is administered. Candidates are provided with quartile results that enable them to see how they scored on specific areas relative to other candidates.

Top 10 FRM Exam sites in 2013, by number of registrations: Hong Kong • Beijing • Seoul • Mumbai • Shanghai • New York • London • Toronto • Guangzhou • Singapore

What to bring on Exam day:

- Exam Admission Ticket
- Current government-issued photo ID (i.e. current driver's licence or passport)
- Approved calculator
- #2 or hard black (HB) pencils

The following items may be carried in your pockets or in transparent plastic bags. Plastic bags must be placed under your chair and may be accessed during the examination.

- Wallet (or money purse)
- Calculator batteries, erasers, pencil sharpeners, eye-glasses, earplugs
- Medicine, tissues and other medically necessary or personal items

Food and drink containers may not be opened in the testing room. All food and drinks must be consumed outside the testing room.

Using the FRM to Build Your Career



Achieving the FRM designation creates opportunities for a diverse set of candidates to accelerate their careers, no matter what their backgrounds. Whether you manage risk, money, or investments, achieving the FRM certification is a career enhancer.

Candidate Types

Professionals

Professionals who manage risk, money, or investments and want to broaden their knowledge of the different types of financial risk enter the FRM Program in order to enhance their current skill set. Those who are earlier in their careers benefit from the breadth of the curriculum, which exposes candidates to the major strategic aspects of risk management, while more established practitioners often choose to become FRM certified in order to ensure that they are apprised of the latest trends in risk management, or they want to challenge themselves by testing their knowledge against an elite pool of risk managers.

Career Changers

Career changers, such as those previously working in non-risk roles, become candidates for the FRM designation in order to broaden their opportunities by gaining specialized, practical knowledge in an area of financial services that is continuing to grow rapidly across the globe.

Students

Students with an interest in finance may elect to sit for the FRM Exam during or immediately after completing their studies as a complement to their coursework. Students realize that achieving the FRM designation demonstrates to future employers that they are able to master complex real-world challenges, since the FRM Exam is practitioner-driven. It also proves their commitment to pursuing a career in managing risk, money or investments.

Career Benefits

Stand out to employers

Employers around the world realize that the FRM Program prepares candidates with the specialized knowledge and skills necessary to succeed in the dynamic financial services industry. The FRM designation is by far the best known and most respected designation for financial risk, with 25 of the top 25 banks in the world having a significant presence of Certified FRMs.

Prove your knowledge and expertise

Mastering the concepts underlying risk management in today's dynamic market environment will give you a holistic view of risk management. By preparing for the FRM Exam, you will gain state-of-the-art knowledge that is useful on the job every day, because the Exam is designed and updated annually by some of the world's leading risk professionals to reflect current marketplace issues. 90% of those who sat for the May 2013 FRM Exam would recommend that their colleagues also sit for the FRM Exam.

Join an elite group

The FRM certification provides you with a lifelong platform to network with some of the world's most prominent financial risk management professionals, expanding your professional opportunities within the

world of finance. There are over 28,000 Certified FRMs worldwide, so you will become part of an elite global group. Certified FRMs value the designation, with 90% preferring to hire a job candidate with the FRM designation over one without.

Demonstrate your leadership

Mastering the content of the FRM Exam and completing the many hours of self-study represents a significant commitment to the risk management profession, positioning you as a leader in the field and signifying your commitment to professional excellence.

Confirm your achievements

Real-world experience is an essential component of attaining FRM certification. No other financial risk designation requires candidates to demonstrate related professional experience—so becoming a Certified FRM means considerably more than passing an exam.

Enhance your reputation

All Certified FRMs are expected to adhere to principles that promote the highest levels of ethical conduct and disclosure beyond following the letter of applicable rules and regulations. Employers know that Certified FRMs will help safeguard their firms' reputations.

GARP Professional and University Chapters

GARP supports Professional and University Chapters around the globe to enable risk practitioners, and students developing their understanding of risk, to share their knowledge and expertise while building their network of professional contacts. Certified FRMs provide the backbone of the Chapter program, with many Chapters Directors having achieved FRM certification. In 2012, there were 134 Professional Chapter meetings worldwide.

Frequently Asked Questions

Q. How much time is needed to prepare for the FRM Exam?

A. Candidates' preparation times will vary based on their prior professional experience level, academic backgrounds, and familiarity with the concepts tested on the curriculum. Therefore, it is difficult to recommend a particular number of hours to dedicate to studying. For some guidance, however, a survey of May 2013 FRM Exam Part I test takers indicates that, on average, individuals devoted about 275 hours to Exam preparation. Individual figures, however, varied from less than 100 hours to more than 400 hours.

Q. How much work experience is required before sitting for the FRM Exam?

A. To become a Certified FRM, candidates must meet a two-year professional work experience requirement. However, there are no educational or professional prerequisites to sit for either part of the FRM Exam. Once candidates pass both parts of the FRM Exam, candidates must satisfy the work experience requirement before they can become certified and use the FRM designation. Certification requirements can be found on GARP's website.

Q. How quantitative is the FRM Exam?

A. The FRM Exam has a quantitative component, but these quantitative concepts are presented in the context of questions that approximate real-world situations that risk managers would face. The level of mathematical rigor of the FRM Exam is consistent with an advanced undergraduate or introductory graduate level finance course at most universities.

Q. What is the difference between the FRM and the CFA?

A. The FRM is an excellent way for candidates to improve their knowledge of market risk, operational risk, credit risk, integrated risk management, valuation and risk models, and risk management in investment management, among other topics. There are many CFA holders who are also Certified FRMs, as the designations attest to different skills and aspects of a candidate's capabilities and the two professional designations complement each other very well. Demonstrating your competencies in financial risk via the FRM designation is a win-win for CFA charter holders especially given the prominent role that CROs and risk managers are now taking in financial institutions in the wake of the global financial crisis.

Q. What types of institutions is the FRM relevant to?

A. The FRM is designed to address the practical knowledge needed to function effectively as a financial risk manager globally, across all institutional settings. The FRM Committee, which guides the development of the FRM curriculum, consists of seasoned risk professionals and academics with a wide range of professional backgrounds. The broader risk management community is regularly surveyed through a formal job task analysis process to determine the knowledge, skills, and abilities required to function effectively as a financial risk manager in the global marketplace. Survey participants come from a wide range of industries including (but not limited to) banking, consulting, traditional asset management hedge funds, technology, insurance and nonfinancial corporations.

Frequently Asked Questions

Q. Do you offer any exemptions for either part of the FRM Exam?

A. GARP does not accept other designations in partial fulfillment of our requirements. GARP feels that the FRM certification must represent an individual's competency in the risk management skill set as defined by our FRM Committee, and as objectively set forth in the FRM Study Guide. A critical component of GARP's assessment of an individual is the instrument with which that competency is measured—the FRM examinations. To maintain the integrity of the FRM certification and to fulfill our obligations to the risk management community, therefore, GARP cannot rely on the assessments performed by other designation-granting organizations. Thus, candidates for the FRM may not waive either part of the FRM Exam despite any certifications they may have achieved from other certifying bodies.

Q. In what languages can I take the Exam?

A. The only language that the Exam is administered and instructions read on Exam day is in American English. The FRM Exam is not offered in any other language. GARP is aware that not every FRM candidate has American English as his or her native language. In the Exam development process, GARP strives to ensure that questions are written in a clear, concise form and avoids the use of colloquialisms or other terms and phrases that might confuse a nonnative American English speaker.

Q. What are my career prospects after becoming a Certified FRM?

A. Demand for financial risk managers remains strong. While individuals' career prospects will always vary according to the nature of their prior professional experience, by choosing the FRM you are selecting the best known, most global, and most widely accepted risk management designation in the world. Becoming a Certified FRM will differentiate you from your peers and serves as a validation of your knowledge of the tools and techniques currently demanded by the risk management profession. The FRM designation is valued by employers in all regions of the world. Certified FRMs are employed by most every major banking institution, government regulator, consulting firm and financial services institution around the world. This, along with career-long opportunities for networking and further professional education, enhances the career prospects of Certified FRMs.

Q. Do I need to be a GARP Member to sit for the FRM Exam?

A. No. GARP Membership is not required to sit for the FRM Exam. However, you will be automatically provided with complimentary membership privileges as an Individual Member of GARP for one year upon paid enrollment in the FRM Program. Your GARP Membership can automatically be renewed if you agreed to do so at the time of your registration. Certified FRMs are offered a discounted membership rate in recognition of their professional achievements and dedication to best practices in financial risk management.

Further information about the FRM Program and Exam can be found on GARP's website, garp.org/frm, or you can contact GARP directly with any additional questions at memberservices@garp.com.

About GARP

The Global Association of Risk Professionals (GARP) is the only globally recognized professional association for financial and energy risk certification and education. In fulfilling our unique mission to elevate the practice of risk management at all levels throughout an organization, GARP sets the global standard through independence, expertise, and leadership.

Founded in 1996, GARP is a nonprofit, nonpartisan membership organization. GARP does not engage in political lobbying or donations, allowing us to be a true advocate for our Members and the risk profession. This independence enables us to develop, design, and administer certification programs that reflect industry best practices. A volunteer Board of Trustees, composed of leading risk management practitioners from some of the most prominent global financial firms and universities, oversees our Association.

From its inception, GARP's exclusive focus has been on risk management. Maintaining this focus has enabled GARP to develop unmatched expertise in risk, which we transmit globally through our professional designations. Through GARP's network of contacts derived from our more than 150,000 Members, we have access to the best risk practitioners worldwide. GARP also bridges the gap between academic research and real-world practice, maintaining partnerships with top universities and business schools.

To calibrate and benchmark its understanding of the demands of the global risk management community, GARP also conducts formal job task analysis surveys to determine the knowledge, skills and abilities required to function effectively as a financial risk manager around the world.

GARP's global leadership status in financial risk management education is independently validated by the rapid growth in the number of institutions having five or more registrations for the FRM Program, as well as by the growth in GARP Membership to encompass Members in more than 195 countries and territories worldwide.

**Creating a culture of
risk awareness®**

Global Association of
Risk Professionals

111 Town Square Place
14th Floor
Jersey City, New Jersey 07310
U.S.A.
+ 1 201.719.7210

2nd Floor
Bengal Wing
9A Devonshire Square
London, EC2M 4YN
U.K.
+ 44 (0) 20 7397 9630

www.garp.org