COMPARATIVE STUDY ON INTEREST RATE RISK MANANGEMNT BY HABIB BANK LILMTED AND ASKARI BANK LIMITED

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Topic of Research: Comparative Study on Interest Rate Risk Management by Habib Bank Limited and Askari Bank Limited

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ABSTRACT

The purpose of the thesis is to compare the interest rate risk management practice by Habib bank limited and Askari bank limited. Both banks are leading banks of Pakistan and are role models for most of the banks. We wrote this project from respondent’s point of view of selected banks. Our goal was to create valuable knowledge regarding interest rate risk management, we have studied Habib bank limited and Askari bank limited as how they manage interest rate risk and which strategies they are using for managing interest rate risk. Our findings indicate that both banks are managing interest rate risk by using different models, most commonly used tools are duration gap model, yield curve, asset and liability management. Both of the banks are hedging their interest rate risk by using different derivatives like interest rate swap, currency swaps and forward agreements. There are so many tools available for monitoring and managing the interest rate risk but both banks are using specific tools which they think are suitable for them.

DEDICATION

This project is dedicated to our beloved parents.

ACKNOWLEDGMENTS

In the name of Allah, the most beneficent, the most merciful.

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TABLE OF CONTENTS