In this paper we propose the GHADA risk management model that is based on the generalized hyperbolic (GH) distribution and on a nonparametric adaptive methodology. Compared to the normal distribution, the GH distribution possesses semi-heavy tails and represents the financial risk factors more appropriately. The nonparametric adaptive methodology has the desirable property of estimating homogeneous volatility in a short time interval. For DEM/USD exchange rate data and a German bank portfolio data the proposed GHADA model provides more accurate value at risk calculation than the traditional model based on the normal distribution. All calculations and simulations are done with XploRe. Keywords: adaptive volatility estimation, generalized hyperbolic distribution, value at risk, risk management.