Credit Risk - Measurement and Management

Online course

Chapter 1 - Introduction to Credit Risk - Measurement and Management

- Overview of types of credit risks
- Approaches for measuring credit risk
- Granting credit – the process
- Recommendation on credit risk management

Chapter 2 - Key Credit Risk Parameters

- Probability of Default (PD)
- Exposure at Default (EAD)
- Loss Given Default (LGD) and Recoveries
- Correlations
- Maturity (M)
- Calculation and Interpretation

Chapter 3 - Credit Risk Models

- Characteristics of credit risk
- Use of credit risk models
- Requirements of a credit risk model
- KMV Moody's
- CreditMetrics
- CreditRisk+
- Portfolio credit risk
- Marginal credit risk
- Advantages and disadvantages of the various models
- Workshop – calculating credit risk using the various models

Chapter 4 - Counterparty Risk on Derivatives

- Counterparty risk versus traditional credit risk
- Key counterparty risk numbers
- "Risk neutral" og "real world" pricing
- Approaches to measuring counterparty risk
    - Simple, analytical or Monte Carlo Simulation
- Methods to reduce counterparty risk and requirements from EMIR
- CVA, DVA, FVA and BCVA
    - Accounting or regulatory use
- Workshop – calculating and interpreting Potential Future Exposure and CVA

Chapter 5 - Capital Requirements

- Standard method
- IRB-method
    - Foundation or advanced approach
- CVA-charge on derivatives
- Workshop – calculation of capital requirements

Chapter 6 - Credit Default Swaps

- Overview of credit derivatives
- How the market works
- Using CDS-contracts to reduce risk
- Pricing
- Risks

Price

The price of the course is EUR 1,320.

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