

Credit Risk Measurement and Management

Course in Stockholm

Day 1	Day 2
09.00 Welcome and Introduction	09.00 Recap
09.15 1. Introduction to Credit Measurement and Management <ul style="list-style-type: none">■ Overview of types of credit risks■ Approaches for measuring credit risk■ Granting credit - the process■ Recommendation on credit risk management	09.30 4. Counterparty Risk on Derivatives <ul style="list-style-type: none">■ Counterparty risk versus traditional credit risk■ Key counterparty risk numbers■ "Risk neutral" og "real world" pricing■ Approaches to measuring counterparty risk<ul style="list-style-type: none">○ Simple, analytical or Monte Carlo Simulation■ Methods to reduce counterparty risk and requirements from EMIR■ CVA, DVA, FVA and BCVA<ul style="list-style-type: none">○ Accounting or regulatory use■ Workshop - calculating and interpreting Potential Future Exposure and CVA
10.00 2. Key Credit Risk Parameters <ul style="list-style-type: none">■ Probability of Default (PD)■ Exposure at Default (EAD)■ Loss Given Default (LGD) and Recoveries■ Correlations■ Maturity (M)■ Calculation and Interpretation	12.00 Lunch
11.00 3. Credit Risk Models <ul style="list-style-type: none">■ Characteristics of credit risk■ Use of credit risk models■ Requirements of a credit risk model■ KMV Moody's	13.00 5. Capital Requirements <ul style="list-style-type: none">■ Standard method■ IRB-method<ul style="list-style-type: none">○ Foundation or advanced approach■ CVA-charge on derivatives■ Workshop - calculation of capital requirements
12.00 Lunch	15.00 6. Credit Default Swaps <ul style="list-style-type: none">■ Overview of credit derivatives■ How the market works■ Using CDS-contracts to reduce risk■ Pricing■ Risks
13.00 3. Credit Risk Models, continued <ul style="list-style-type: none">■ CreditMetrics■ CreditRisk+■ Portfolio credit risk■ Marginal credit risk■ Advantages and disadvantages of the various models■ Workshop - calculating credit risk using the various models	16.00 End of course and evaluation
16.00 End, day 1	

Price

The price of the course is EUR 1800. The price covers course material, lunch and refreshments.

