


5 credits

30.0 h

Q2

Teacher(s)	Henrard Luc ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	<p>The two main themes addressed in this course are :</p> <ol style="list-style-type: none"> <li>1. how do Financial Institutions quantify and manage their risks ( through the concepts of Economic Capital, RARORAC and EVA with a special focus on Credit and Counterparty risks, ALM risk, Trading risk, Operational risk and Securitization)</li> <li>2. the impact of the new banking regulations on the risk appetite, the business model and the governance of these Institutions.</li> </ol>
Aims	<ul style="list-style-type: none"> <li>• knowledge and reasoning (apply the acquired knowledge accordingly to solve a problem)</li> <li>• a scientific approach (consider problems using a systemic and holistic approach)</li> <li>• teamwork (join in and collaborate with team members).</li> </ul> <p>1</p> <p>These learning outcomes will crystallize through a set of workshops and interactions with the teacher during the class.</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Evaluation methods	<p><b>Continuous evaluation</b></p> <ul style="list-style-type: none"> <li>• Date: will be specified later</li> <li>• Type of evaluation: 2 workshops per group of 4</li> <li>• Comments: 30% of points + Q &amp; A points per course</li> </ul> <p><b>Evaluation week</b></p> <ul style="list-style-type: none"> <li>• Oral: No</li> <li>• Written: 3h</li> <li>• Unavailability or comments: 70% of points</li> </ul> <p><b>Examination session</b></p> <ul style="list-style-type: none"> <li>• Oral: No</li> <li>• Written: 3h</li> <li>• Unavailability or comments: 70% of points</li> </ul>
Teaching methods	<ul style="list-style-type: none"> <li>• oral presentation of the workshops (including Q&amp;A)</li> <li>• interactions with the teacher in class</li> <li>• activities on hot topics,</li> <li>• project based learning,</li> <li>• at home activities</li> </ul>
Content	<p>An economic approach is taken to estimate performance ('risk adjusted return on risk adjusted capital' 'RARORAC- and 'economic value added' 'EVA).</p> <p>Measures such as Expected Loss, Unexpected Loss, Value at Risk, Fair Value and Economic/Regulatory Capital are developed.</p> <p>Students will have also to complete business cases related to risk management issues.</p>
Bibliography	<ul style="list-style-type: none"> <li>• Support : books and articles available at the library or on internet.</li> <li>• Slides that summarize lecture contents will be available on Moodle.</li> <li>• Reference books : 'Risk management in Banking' by Joel Bessis (John Wiley and Sons, Ltd) - ' Risk Management and Financial Institutions' by John Hull ( Pearson)</li> </ul>
Faculty or entity in charge	CLSM

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Management	<a href="#">GESM2M</a>	5		
Master [120] in Management	<a href="#">GEST2M</a>	5		