

5.00 credits

30.0 h

Q2

Teacher(s)	Candelon Bertrand ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	<ul style="list-style-type: none"> <li>• portfolio theory,</li> <li>• basic understanding of probability theories,</li> <li>• statistics,</li> <li>• financial markets and financial instruments.</li> </ul>
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>
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <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>
Evaluation methods	<b>Lectures, MCQ, workshop assignment, project</b>
Teaching methods	Lectures (in presence or at distance), inverted classrooms, workshops, interventions by experts, assignments, final project
Content	<p>The course aims at better understanding and measuring risks present in financial institutions.</p> <p>It will cover the following topics:</p> <ul style="list-style-type: none"> <li>- The typology of risk (credit, market, liquidity, operational, systemic).</li> <li>- The different statistical methods to measure the risks.</li> <li>- Bank regulation: history and actual implementation.</li> </ul>
Inline resources	Moodle and teams
Bibliography	<p>John C. Hull (2018) "Risk Management and Financial Institutions", 5th edition.</p> <p>Roncalli, T. (2020), "Handbook of Financial Risk Management", Chapman Hall/CRC Financial Mathematics Series, which is available at <a href="http://thierry-roncalli.com/RiskManagement.html">http://thierry-roncalli.com/RiskManagement.html</a>.</p>
Other infos	<p>This course requires a good understanding of the statistical methods at the bachelor level.</p> <p>Workshops consist of empirical cases, illustrated via R. Basic knowledge of R is not required and will be acquired during the course.</p>
Faculty or entity in charge	CLSM

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	GEST2M	5		