UCLouvain

llsms2009

2023

Risk Management of Financial Institutions

5.00 credits	30.0 h	Q2

Teacher(s)	Candelon Bertrand ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	• portfolio theory, • basic understanding of probability theories, • statistics, • financial markets and financial instruments.
Main themes	The two main themes addressed in this course are : 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) 2. the impact of the new banking regulations on the risk appetite, the business model and the governance of these Institutions.
Learning outcomes	**At the end of this learning unit, the student is able to :** 1 • knowledge and reasoning (apply the acquired knowledge accordingly to solve a problem) • a scientific approach (consider problems using a systemic and holistic approach) • teamwork (join in and collaborate with team members). These learning outcomes will crystallize through a set of workshops and interactions with the teacher during the class.
Evaluation methods	**Lectures, MCQ, workshop assigment, project**
Teaching methods	Lectures (in presence or at distance), inverted classrooms, workshops, interventions by experts, assigments, final project
Content	The course aims at better understanding and measuring risks present in financial institutions. It will cover the following topics: - The typology of risk (credit, market, liquidity, operational, systemic). - The different statistical methods to measure the risks. - Bank regulation: history and actual implementation.
Inline resources	Moodle and teams
Bibliography	John C. Hull (2018) “Risk Management and Financial Institutions”, 5th edition. Roncalli, T. (2020), "Handbook ofFinancial Risk Management", Chapman Hall/CRC Financial Mathematics Series,which is available at http://thierry-roncalli.com/RiskManagement.html.
Other infos	This course requires a good understanding of the statistical methods at the bachelor level. Workshops consist of empirical cases, illustrated via R. Basic knowledge of R is not required and will be acquired during the course.
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)

Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	GEST2M	5		