

5.00 credits

30.0 h

Q2

Teacher(s)	Van Wynendaele Pascal ;
Language :	English
Place of the course	Namur
Main themes	This course focuses on interest rates and credit risk modelling with a particular emphasis on yield curve theories, Monte Carlo simulations and tree-based approaches. Regarding credit risk modelling we focus on ratings models, yield-spread models and credit scoring models.
Learning outcomes	At the end of this learning unit, the student is able to : 1 Gain a sound understanding of interest rates modelling (including the modelling of interest rates under uncertainty) and credit risk models.
Evaluation methods	Classic 2-hour written exam consisting of a mix of multiple choice questions and open questions Course taught at UNamur (Namur) As part of the assessment of this teaching unit, the use of artificial intelligence is prohibited, whether as a language assistant, exploration and ideation tool, or writing tool.
Teaching methods	Ex Cathedra No group work.
Content	The course focuses mainly on the business model of banks as well as the risk management process which is increasingly subject to regulatory constraints. The course deals more particularly with : - The role of banks in the financial system and their business model - The impact of the ECB monetary policy on banks' operations - The major principles of risk management and the notion of risk - The failure of risk management systems during the financial crises of 2007 and 2011 - The evolution of banking regulation: from Basel 1 to Basel 4 and the prudential control framework put in place by the European authorities. - The management of credit risk (PD, LGD, EaD, M and RWA), market risk (Value at Risk and Expected Shortfall) and liquidity risk (LCR and NSFR)
Inline resources	www.bis.org https://www.ecb.europa.eu/ecb/html/index.fr.html
Bibliography	Risk Management and Financial Institutions, 5th Edition, John Hull, 2018 (Wiley) Santomero & Babbel: Financial markets, instruments and institutions (McGraw-Hill). Johnson
Other infos	Objectives: Advanced course in the economics of finance from a risk management perspective aiming to discuss the notion of risk and the recent developments in banking regulation in a post financial crisis context.
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [60] in Economics : General	ECON2M1	5		
Master [120] in Economics: General	ECON2M	5		