



Skopje, Macedonia, 18-20 November 2013

Credit Risk Management

ORGANISATION SHEET

Objectives	Credit risk management is a major issue in banking. It is a multifaceted issue, which touches the core of banking and goes much further than just credit analysis. After the course, the participants should have a deep understanding of the different aspects of credit risk management including financial risk management, rating analysis, models of economic and regulatory capital. Both theoretical concepts and applications will be discussed.
Methodology	Lectures, interactive sessions, workshops, classroom presentations, discussion of case studies. Active participation is required.
Target group	Participants should have a basic knowledge of banking, banking products, credit products and processes. They are keen to develop their knowledge of risk management in general and credit risk management in particular, based on more advanced economic and financial concepts and on regulatory issues.
Language	English
Participants	Minimum: 12 participants Maximum: 25 persons (from Central Bank, Financial Institutions and Commercial Banks)
Lecturer	Mr Matthieu VANHOVE ATTF expert
Date	3 days 18-20 November 2013



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CONTENT

DAY 1

Bank Risk Management – an overview

- Introduction
- Sources of risk
- Risk management
- Regulation
- Financial products
- Heat Maps

Credit scoring

- Score types
- Credit bureaus
- Business objectives
- Limitations of credit scoring

Credit ratings

- Rating and scoring systems
- Terminology, taxonomy, philosophy
- Applications and limitations

DAY 2

Risk modelling and measurement

- System life cycle
- Data definition and collection
- Development and implementation
- Application and follow-up
- Validation, quality control and back testing

Portfolio models for credit risk

- Loss distribution
- Measures of portfolio risk
- Concentration and correlation
- Overview of industry models
- Implementation and application
- Economic capital and capital allocation



DAY 3

Portfolio models: from theory to practice

Regulatory issues - Basel I, II and III and beyond

- Basel I
 - The basics of regulatory capital for credit
- Basel II
 - Three pillars
 - Types of capital
 - Three approaches for credit risk
- Basel III
 - Effective expected positive exposure
 - Credit valuation adjustment
 - Wrong way risk
 - Asset value correlation
 - Central counterparties
 - Enhanced counterparty credit risk

Bridging the gap between sound bank management and regulatory issues

Wrap Up
