



## RISK MANAGEMENT: CREDIT RISK ORGANISATION SHEET

<b>Context &amp; Objectives</b>	<p>Credit risk is the oldest form of financial risk. Although credit risk has existed since antiquity, we still have not perfected the way in which we manage it, as witnessed by the high-profile losses that are often reported in the press. This course provides participants with a good understanding of credit risk and the methods for managing it effectively.</p> <p>The main objective of this course is</p> <ul style="list-style-type: none"> <li>▪ Understand the fundamental concepts of credit risk</li> <li>▪ Learn about how credit risk can materialise and the methods for measuring and managing it effectively</li> <li>▪ Evaluate and understand internal and external credit ratings</li> <li>▪ Describe different credit risk models according to the recommendations of the Basel Committee</li> </ul>
<b>Methodology</b>	<p>The methodology is based on a combination of theory and practical exercises.</p>
<b>Target group</b>	<p><b><u>Participants located in North Macedonia</u></b></p> <p>This training course has been designed for a broad audience, i.e. for anyone wishing to acquire fundamental knowledge in Risk Management. This course is NOT a webinar but an interactive programme. Participants are encouraged to be engaged in the sessions and to this end to have their webcam on and a well-functioning microphone.</p>
<b>Language</b>	<p>A good command of English is required.</p>
<b>Participants</b>	<p>Maximum 15</p>
<b>Expert</b>	<p>Dr Luc Neuberg is Founding Partner of FairCostIndex (FCI). He is Chairman of the Board of ALRiM, the Luxembourg Association of Risk Management. Dr. Neuberg was CEO and Head of Risk Management at BCEE AM. Before that, he was the Managing Director at Fortis Investment Luxembourg, as well as Head of Risk Management for Fortis Multi Management. Prior to this, he was a Member of the MeesPierson Global Investment Process Committee. He belongs to the Steering Committee of the ALFI Risk Management working group, and teaches at the University of Lorraine, University of Luxembourg and Luxembourg House of Training. Dr Neuberg holds a Ph.D. in Management Sciences from the University of Namur and a Civil Engineer degree from the University of Liège.</p>
<b>Duration &amp; Dates</b>	<p>4 sessions of 4 hours on the following days: September 12, 15, 16 &amp; 19, 2022 from 9h to 13h</p>



HOUSE OF  
**TRAINING**



**Platform &  
Technical  
requirements**

Webex

In order to join the course participants are requested to have:

- a stable internet connexion
- a device (preferably a PC) with well-functioning microphone and webcam).

*By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of contents as described herein.<sup>1</sup>*



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## RISK MANAGEMENT: CREDIT RISK

### CONTENT

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- Credit Risk
- Introduction and definitions
- Lending activities
  - Retail loans
  - Wholesale loans
  - Credit analysis
  - Internal credit rating systems
  - External credit ratings
- Debt instruments
  - Main features of debt instruments
- Key concepts of credit risk measurement
  - Key variables
  - Default and transition matrices
  - Expected Loss (EL) and Unexpected Loss (UL)
  - Credit portfolio models
- Regulatory Requirements for Banks
  - The Standardised approach
  - The internal Ratings Based (IRB) approach
  - Counterparty credit risk, credit valuation adjustment risk and banks' exposures to central counterparties
- Future trends



This training is provided with the support  
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<sup>i</sup>One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted. Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology. In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls "Quality Circles" that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.