SHOQATA E BANKAVE TË KOSOVËS
KOSOVO BANKING ASSOCIATION

Supported by:

HOUSE OF TRAINING

LUXEMBOURG AID & DEVELOPMENT

ATF LUXEMBOURG

CREDIT/COUNTERPARTY RISK AND RISK MODELLING

Date: May 06th-08th 2020
Venue: Kosovo Banking Association

COURSE OVERVIEW

Credit risk is the oldest form of risk in financial markets. 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/counterparty risk and the methods for managing it effectively. By the end of this training, participants will be able to:

- Understand the fundamental concepts of credit/counterparty risk, and Rating/Scoring models
- Describe the international regulatory environment for credit/counterparty risk, particularly the Basel Accord
- Understand the basic components of credit/counterparty risk
- Evaluate and understand internal and external ratings
- Understand value at risk (VaR) and its use in measuring credit/counterparty risk
- Explain the counterparty risk for derivatives, particularly over-the-counter derivatives
- Describe different portfolio models for credit/counterparty risk

METHODOLOGY

The methodology used in all the courses is a combination of theory and numerous practical exercises, interaction between trainer and participants, and case studies.

AUDIENCE

Professionals from banks (commercial and central), financial institutions or supervision authorities such as risk managers, auditors and department managers. This training course has been designed for professionals who already have good knowledge of risk management and who wish to acquire a solid understanding of credit and counterparty risk.

A good command of English is required!

TRAINING CONTENT

CREDIT/COUNTERPARTY RISK

- Introduction and Definitions
- Components of credit risk
- Credit Risk in Different Financial Instruments/Activities
  - Lending
  - Bonds
  - Derivatives
- Internal Credit Assessment
- External Credit Ratings
- Key Concepts of Credit Risk Measurement
  - Default and Transition Matrices
  - Expected Loss (EL) and Unexpected Loss (UL)
  - Credit portfolio management and Credit VaR
- Regulatory Requirements for Banks
  - The Standardised Approach
  - The Internal Ratings Based (IRB) Approach
  - Credit risk mitigation techniques
  - Counterparty credit risk
- Credit Risk Reporting

RISK MODELLING / RATING AND SCORING MODELS

- Scoring using expert judgement
- Revising a PD using new information
- Variables in credit risk models
- Considering multiple determinants of default at once
  - Naïve Bayes
  - Logistic regression
  - Algorithmic approaches
- Incorporating cycles
- Model validation
- Model governance

Cases studies

DAILY SCHEDULE

09:00 – 10:30	Training
10:30 – 10:45	Coffee break
10:45 – 12:00	Training
12:00 – 13:00	Lunch break
13:00 – 14:30	Training
14:30 – 14:45	Coffee break
14:45 – 16:30	Training
16:30	*End of day ☺*

COURSE INSTRUCTOR

Mr. Jérôme Thomas is an experienced trainer, member of the House of Training Quality Circle in Risk Management. Mr. Jérôme Thomas holds an MBA in Finance and has over 10 years of experience in Risk Management, having fulfilled different roles at an international level. He is now a full-time consultant and trainer in Risk Management since 2014 with a large experience in Risk, Portfolio and Credit policy analysis.

REGISTRATION

Send your filled registration forms via email at KBA, or contact us at:
kbatrainingcenter@bankassoc-kos.com or **038 246 171**