



Fundamentals of Credit Risk Identification & Management

In this two-day seminar, participants are introduced to the origins, nature and types of credit risk structures that are typically encountered in financial markets. Beginning with the identification and definition of credit risk, the seminar will survey the methods that have been used to quantify and measure credit risks. In addition, the seminar participants will explore the fundamentals of risk management, in general, and of credit risk in particular. The role of the Basel Accord in credit risk analysis and management will be examined. Throughout, emphasis will be placed on a broad understanding of this area of financial risk management.

Available Session(s):

16-Oct-2008 -- 17-Oct-2008	New York	USD \$2375
NY Institute of Finance -	9:00am - 4:30pm	Thu Fri
Midtown		
Instructor(s):[Joseph Onochie;]		
08-Dec-2008 -- 09-Dec-2008	New York	USD \$2375
NY Institute of Finance -	9:00am - 4:30pm	Mon Tue
Midtown		
Instructor(s):[Joseph Onochie;]		

Targeted Audience

Anyone who wishes to transition into credit risk management

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

Fundamentals of the Securities Industry or equivalent knowledge

Learning Objectives

Students will be able to:

- Understand the framework of risk management
- Understand the distinguishing characteristics of credit risk
- Participate in discussions and exercises to enhance important concepts
- Appreciate the scope and complexity of credit risk

Alumni Comments

"The exercises, the fact that instructor didn't read from powerpoint, he encouraged participation."

"The instructor was able to reduce complex ideas into simple examples"

"The class was relevant to the stock market"

"The technical content, real life examples, hands on exercises"

"Good overview of concepts used at work"

Follow-Up Courses

Introduction to Credit Risk Analysis

Demystifying Cash Flow

Level: Basic

CPE Credits: 14.0

Instructional Method: Group-Live

Detailed Outline

Day 1

The Risk Management Process

Sources of, and Definitions of, Credit Risk

- Loans
- Derivatives
- Lines of Credit

How is Credit Risk Measured?

- Building Blocks
- Different Approaches
- Global Measure of Risk

Day 2

How is Credit Risk Managed?

- Traditional Approaches:
 - -- Netting
 - -- Limits Systems
 - -- Credit Screening
 - -- Risk Quality and Ratings
 - -- Credit Enhancements
- Credit Derivatives:
 - -- Total Return Swaps
 - -- Credit Swaps
 - -- Credit-Linked Security
 - -- Credit Spread Options

Fundamental Concepts

- Economic Capital
- Expected Loss
- Unexpected Loss
- Probability of Default
- Exposure at Default
- Loss Given Default

Survey of Models of Credit Risk

- Empirical Models
- Structural Models
- Reduced-Form Models

Economic versus Regulatory Capital

Credit Risk for Market Instruments

Credit Risk for Derivatives

Role of Basel Committee

- Evolution of the Basel Accords: 1988, 1996, 2001

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