Risks in Banking

ECTS : 3

Description du contenu de l'enseignement :

Cet enseignement est composé de deux cours

1/Risks in the Trading Book

Risks in the Trading BookThe objective of the lecture is (i) to understand the target operating model of the trading room (ii) become familiar with risk neutral pricing and dynamic hedging (iii) review and where relevant quantify the main financial and non financial risks the trading book is exposed to.

Main chapters: 1/Risk Governance. 2/Valuation Risk. 3/Model Risk. 4/ Market Risk Metrics. 5/ Value at Risk. 6/Stress Testing. 7/ Credit & Counterparty Risk. 8/ Conduct Risk.

2/Risk management in sustainable finance

The objective of this course is to familiarize students with the way these emerging risks are being addressed by financial institutions and regulators and their related tools. It divides into 3 parts: 1. Overwiew of the financial system 2. Understanding risk management and regulation. 3. Meeting the SDGs through a shift in financial flows and tools.

Main chapters: 1/ Financial system governance. 2/ risk management assessment. 3/ risk management tools. 4/ regulation

Compétence à acquérir :

Students will be exposed to the pricing a path dependent pay off, the simulation an optimised bond portfolio risk profile, the computation of the Value at Risk on an equity portfolio.

Capital markets, basic applied maths, listening. Oral presentation of a business case.

Mode de contrôle des connaissances :

Group project and final test.

Bibliographie, lectures recommandées :

https://www.savvyinvestor.net/ https://www.ft.com/market

John Hull: risk management and financial institutions. JM Beacco: titrisation : maillon clef du financement de l'économie.