




5.0 credits	30.0 h	1q
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Teacher(s) :	Henrard Luc ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Prerequisites :	-- portfolio theory, -- basic understanding of probability theories, -- statistics, -- financial markets and financial instruments.
Main themes :	The two main themes addressed in this course are : -- how do Financial Institutions quantify and manage their risks (through the concepts of Economic Capital, RARORAC and EVA with a special focus on Credit and Counterparty risks, ALM risk, Trading risk, Operational risk and Securitization) -- the impact of the new banking regulations on the risk appetite, the business model and the governance of these Institutions.
Aims :	-- knowledge and reasoning (apply the acquired knowledge accordingly to solve a problem) -- a scientific approach (consider problems using a systemic and holistic approach) -- teamwork (join in and collaborate with team members). These learning outcomes will crystallize through a set of workshops and interactions with the teacher during the class. <i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i>
Evaluation methods :	-- written exam (70 % of the points) -- 3 workshops (30 % of the points) to be solved in groups
Teaching methods :	-- oral presentation of the workshops (including Q&A) -- interactions with the teacher in class -- activities on hot topics, -- project based learning, -- at home activities
Content :	An economic approach is taken to estimate performance ('risk adjusted return on risk adjusted capital' RARORAC- and 'economic value added' EVA). Measures such as Expected Loss, Unexpected Loss, Value at Risk, Fair Value and Economic/Regulatory Capital are developed. Students will have also to complete business cases related to risk management issues.
Bibliography :	-- Support : books and articles available at the library or on internet. -- Slides that summarize lecture contents will be available on Moodle. -- Reference books : 'Risk management in Banking' by Joel Bessis (John Wiley and Sons, Ltd) - ' Risk Management and Financial Institutions' by John Hull (Pearson)

Faculty or entity in charge:	CLSM
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Programmes / formations proposant cette unité d'enseignement (UE)				
Intitulé du programme	Sigle	Credits	Prerequis	Acquis d'apprentissage
Master [120] in Business Engineering	INGE2M	5	-	
Master [120] in Management	GEST2M	5	-	
Master [120] in Management	GESM2M	5	-	
Master [120] in Business Engineering	INGM2M	5	-	