





5.00 credits

30.0 h

Q2

Teacher(s)	Lassance Nathan ;
Language :	English
Place of the course	Mons
Prerequisites	MGEST1219 Finance
Main themes	The course introduces, analyses and quantifies the risks managed by financial institutions. On completion of this course, students will have knowledge of the main financial institutions and the regulations governing them. They will understand how market, credit, liquidity and operational risks are managed.
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>At the end of this course, students will be able to:</p> <ul style="list-style-type: none"> <li>- Identify and describe the main risks faced by financial institutions (banks, insurance companies and pension funds, mutual funds).</li> <li>- Explain the trade-off between risk and return and how financial institutions make money by taking on and managing risk.</li> </ul> <p>1</p> <ul style="list-style-type: none"> <li>- Identify and describe the main techniques banks use to measure and manage risks (credit risk, market risk, operational risk, liquidity risk).</li> <li>- Explain the prudential regulation framework of the financial sector and its effect on financial institutions' risk taking.</li> </ul>
Evaluation methods	Written exam in session (80%) + group assignment (20%)
Teaching methods	<ul style="list-style-type: none"> <li>• Lectures</li> <li>• Group assignment</li> </ul>
Content	<p>Content of lectures (in english):</p> <ul style="list-style-type: none"> <li>• Part 1: Introduction, Financial Institutions and Trading in Financial Markets</li> <li>• Part 2: Market Risk – Volatility, Dependence, Value-at-Risk, Expected Shortfall</li> <li>• Part 3: Basel Regulation and Credit Risk</li> </ul> <p>The group assignment is composed of theoretical and practical exercises that apply the different concepts covered in the lectures.</p>
Inline resources	Student corner
Bibliography	John C. Hull, Risk Management and Financial Institutions (5th edition), Wiley, 2018
Faculty or entity in charge	CLSM

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] : Business Engineering	INGM2M	5		
Master [120] in Management	GEST2M	5		
Master [120] in Business Management	GENT2M	5		
Master [120] in Management	GESM2M	5		
Master [120] : Business Engineering	INGE2M	5		