

Credit Risk Modeling

(15 hours)

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The goal of the course is to give an overview of the fundamentals of credit risk modeling. We will describe the modern approaches to credit risk management, including both quantitative and qualitative methods. The course will contain some case studies to facilitate understanding the applications of the studied models in real-life situations.

Lecture outline:

- Fundamental concepts of Credit Risk
- Comparative analysis of quantitative and qualitative approaches credit risk modeling, including:
 - Credit Scoring models used by Credit Card companies and auto loan firms
 - Internal Ratings-Based Systems used by commercial banks
 - Credit Rating methodologies of Credit Rating Agencies
 - Industry-Specific models used by banks and non-financial firms
- Case Study: Credit Risk Modeling at SABIC-Europe Petrochemical Co, the Netherlands
- Case Study: Rating models at CIBC bank of Canada

References:

Standard & Poor's, "Fundamentals of Corporate Credit Analysis", 2005
Miscellaneous articles and case studies