

## Module 3: Credit and Risk Management (FIN725)

### About the module:

Module 3 will be helpful to understand the principles of credit risk management and key approaches to mitigate the credit risk.

The relevant lectures and recommended material will help the students to know about the credit risk management in better way.

### Objectives of Module:

To understand

- Qualitative disclosures
- Credit risk mitigation in the standardized approach
- Key principles of supervisory review
- The role of financial adviser & credit risk

### Outcome of Module:

Module 3 will enhance the understanding about the credit risk management and alleviation of risk related to credit. This module will help the students to clarify their concepts about the mentioned topics and will make it easy to understand the upcoming concepts in better way.

### Contents of the module:

Along with the mentioned lectures, this module will consist of following given readings. Please note that other readings can be added or existing readings can be subtracted from the content as per requirements. The sources of reading material are given with each concept in detail and the recommended books are available at the download section of VULMS.

- Operational requirements for guarantees
- Credit risk: the internal ratings-based approach
- Operational requirements & treatment of clean-up calls
- Supervisory transparency & accountability

#### Quick Facts

Duration of module: 3 weeks

Effort required: 3 hour/week

Work load: Low to Moderate

Module Design: Live Online sessions (optional), Self-assessments (Optional), End of module assessment (Optional)

Included in exams: YES

Objectives	Module Pack	Topic Title	Relevant lectures	Reading material
To know about the principles of managing credit risk	Module Pack 3	<p><b>Major themes:</b> Key approaches to mitigate credit risk</p> <p><b>Minor themes:</b></p> <ul style="list-style-type: none"> <li>• Qualitative disclosures</li> <li>• Credit risk mitigation in the standardized approach</li> <li>• Key principles of supervisory review</li> <li>• The role of financial adviser &amp; credit risk</li> </ul>	23,24,25, 26,27,28, 29,30	<ul style="list-style-type: none"> <li>• Operational requirements for guarantees</li> <li>• Credit risk: the internal ratings-based approach</li> <li>• Operational requirements &amp; treatment of clean-up calls</li> <li>• Supervisory transparency &amp; accountability</li> </ul>