

Rating Workshop

*Credit risk, ratings, model development:
what's that all about?*

*May 08
2017*



General objectives of the Workshop

- To understand:
 - what **analytical solutions** are used in credit risk management
 - why has the **reliability** of credit risk models been **seriously questioned** lately
 - what are **risk-weighted** assets and how **risky** they really are
 - what **measures** are banks and regulators taking to **restore trust** in credit risk models
- To comprehend the **challenges** and **opportunities** PwC is currently facing while serving the financial services industry
- To **network** and get to know **PwC employees** during and after the workshop and discussion rounds

Rating Workshop

Credit risk, ratings, model development: what's that all about?

Since the outbreak of the Global Financial Crisis, credit risk modelling has become an increasingly important topic for both banks and regulators. Banks found out that risk and loss estimates obtained through their over-engineered internal models proved to be unreliable during the crisis. Meanwhile, regulators realized that severe threats to the banking sector were posed by institutions that used internal models to manipulate risk-weights and ensure low capital requirements. Regulators are taking measures to restore the lost confidence in credit risk models by reviewing models of systemically important banks and developing new regulatory requirements. Banks will have to adopt all the regulatory changes, restore trust in internal models and be safeguarded in case of financial turbulence.



This workshop gives an overview about the basic principles how to design and develop analytical models in the context of credit risk (including a case study) and offers the chance to directly get in touch with PwC consultants face-to-face.

AGENDA

- 30 min** Why do banks use analytical forecasting models? Is forecasting the future possible or is there more than statistics involved in this?

- 60 min** Rating models in theory
A “deep dive” into SME Rating Model Development

- 15 min** **Coffee break**

- 60 min** Rating models in practice: Case Study about Retail and SME PD Model

- 15 min** **Coffee break**

- 30 min** Challenges and opportunities for PwC in the future. How does the field work look like at PwC?

- 30 min** Q&A and networking

Date	May 08, 2017, 1000-1400, room t.b.a.
Duration	Approx. 4 hrs.
Maximum number of participants	25
Target group	Students from all departments who are interested in statistics / quantitative modeling / regulatory topics and are seeking for contacts in the consulting branche.
Application	1. CV 2. Grades received in the previous terms