

CREDIT RISK: COURSE OUTLINE

(1) GENERAL

SCHOOL	ECONOMIC SCIENCES		
ACADEMIC UNIT	ACCOUNTING AND FINANCE		
LEVEL OF STUDIES	UNDERGRADUATE		
COURSE CODE	AF 602	SEMESTER	6th
COURSE TITLE	CREDIT RISK		
INDEPENDENT TEACHING ACTIVITIES <i>if credits are awarded for separate components of the course, e.g. lectures, laboratory exercises, etc. If the credits are awarded for the whole of the course, give the weekly teaching hours and the total credits</i>	WEEKLY TEACHING HOURS	CREDITS	
Lectures and Practice Exercises	3	5	
TOTAL	3	5	
<i>Add rows if necessary. The organisation of teaching and the teaching methods used are described in detail at (d).</i>			
COURSE TYPE <i>general background, special background, specialised general knowledge, skills development</i>	Specialty Course (M.E.)		
PREREQUISITE COURSES:	NO		
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	GREEK		
IS THE COURSE OFFERED TO ERASMUS STUDENTS	IT CAN BE OFFERED		
COURSE WEBSITE (URL)			

(2) LEARNING OUTCOMES

<p>Learning outcomes</p> <p><i>The course learning outcomes, specific knowledge, skills and competences of an appropriate level, which the students will acquire with the successful completion of the course are described.</i></p> <p><i>Consult Appendix A</i></p> <ul style="list-style-type: none"> • <i>Description of the level of learning outcomes for each qualifications cycle, according to the Qualifications Framework of the European Higher Education Area</i> • <i>Descriptors for Levels 6, 7 & 8 of the European Qualifications Framework for Lifelong Learning and Appendix B</i> • <i>Guidelines for writing Learning Outcomes</i>
<ul style="list-style-type: none"> • Understanding the risks in general and specifically in banking practice • The knowledge of the functions of the various supervisory forms regarding the banking risk • Understanding and evaluating a bank balance sheet regarding weighted capital and capital requirements • The impact on banking policy decisions brought about by risks and capital requirements.
<p>General Competences</p> <p><i>Taking into consideration the general competences that the degree-holder must acquire (as these appear in the Diploma</i></p>

Supplement and appear below), at which of the following does the course aim?

Search for, analysis and synthesis of data and information, with the use of the necessary technology
Adapting to new situations
Decision-making
Working independently
Team work
Working in an international environment
Working in an interdisciplinary environment
Production of new research ideas

Project planning and management
Respect for difference and multiculturalism
Respect for the natural environment
Showing social, professional and ethical responsibility and sensitivity to gender issues
Criticism and self-criticism
Production of free, creative and inductive thinking
.....
Others...
.....

The student with the integrated theoretical training and acquisition of specific knowledge and skills is expected to be able to proceed with:

- Banking risk assessment
- Prepare a study and assessment report on capital needs based on asset weighting
- Manage and comment on evaluation indicators and stress tests of banking institutions
- Compare and evaluate banking institutions in terms of risk, and capital requirements

(3) SYLLABUS

The syllabus of the course can be adapted according to the needs of the course. Basic lines are:

- Risk forms: introductory elements
- Foreign exchange risk, Operational risk,
- Interest rate risk, liquidity risk
- Credit risk
- The Basel Committee on Banking Supervision: legislative and regulatory framework
- Weighted assets
- Examples of banks

(4) TEACHING and LEARNING METHODS - EVALUATION

DELIVERY <i>Face-to-face, Distance learning, etc.</i>	Face-to-face and Distance learning	
USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY <i>Use of ICT in teaching, laboratory education, communication with students</i>	Learning process support through the electronic platform e-class	
TEACHING METHODS <i>The manner and methods of teaching are described in detail. Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, placements, clinical practice, art workshop, interactive teaching, educational visits, project, essay writing, artistic creativity, etc. The student's study hours for each learning activity are given as well as the hours of non-directed study according to the principles of the ECTS</i>	<i>Activity</i>	<i>Semester workload</i>
	Lectures 27	50
	Practice Exercises 27	50
	Independent Study 54	50
	Course total	150
STUDENT PERFORMANCE EVALUATION <i>Description of the evaluation procedure Language of evaluation, methods of evaluation, summative or conclusive, multiple choice questionnaires, short-answer questions, open-ended questions, problem solving, written work, essay/report, oral examination, public presentation, laboratory work, clinical examination of patient, art interpretation, other Specifically-defined evaluation criteria are given, and if and where they are accessible to students.</i>	<p>I. The evaluation of students is done in two ways:</p> <p>11. Preparation of Assignments (30%). The elaboration of a work requires intensive engagement of the student with the subject.</p> <p>12. Written final exam (70%).</p> <p>II. Language of Assessment: Greek.</p>	

(5) SUGGESTED BIBLIOGRAPHY

- Suggested bibliography:

- Aebi, V, Sabato, G., and M. Schmid, 2012, Risk management, corporate governance, and bank performance in the financial crisis *Journal of Banking & Finance* 36 (2012) 3213–3226
- Bank for International Settlements, (B), 2001, «*The New Basel Capital Accord: An explanatory note*
- BIS, 2013, Basel Committee on Banking Supervision Literature review of factors relating to liquidity stress – extended version Working Paper No. 25, October
- BIS, 2013, Basel Committee on Banking Supervision RCAP Questionnaire for assessing implementation of Basel III capital regulations, October
- Black Rock, 2014, Project Aura, Asset Quality Review and Credit Loss Projection *Methodology, Prepared for the Bank of Greece, March 2014*
- Cotugno, M., Stefanelli, V, and G. Torluccio, 2014*** Bank intermediation models and portfolio default rates. What's the relation? Electronic copy available at: <http://ssrn.com/abstract=1662888> (Ανάκτηση 4/2/2016)
 - *European Bank Authority, 2016, Basel III Monitoring Reports,*

<http://www.eba.europa.eu/risk-analysis-and-data/quantitative-impact-study/basel-iii-monitoring-exercise> (Ανάκτηση 4/2/2016)

- European Bank Authority, 2016, *EBA Risk Assessment Reports*, <http://www.eba.europa.eu/risk-analysis-and-data/risk-assessment-reports> (ανάκτηση 4/2/2016)
- Gestel, T. Barnens, B.(2009), «*Credit Risk Management. Basic Concepts: financial risk components, rating analysis, models, economic and regulatory capital*», Oxford University Press.
- Karafolas, S., 2018, Consequences of capital requirements and credit risk on cooperative banks: the Greek case during crisis, in In J. Brazda and H. Blisse, herausgeber, Beitrage zur kritischen Genossenschaftsforschung, Wiener Studien Des forschungsvereins fur genossenschaftswesen, New folge, band 24, Eigenverlag des FOG, Wien 2018, pp. 75-90
- Karafolas, S., 2017, Credit risk management: an examination on the basis of exposures with risk weighting in Greek banks, *Journal of Financial Risk Management*, 6, 101-118. <https://doi.org/10.4236/jfrm.2017.62009>
- Karafolas, S., 2016, The credit risk management for cooperative banks during Greek economic crisis: a comparative analysis with Greek systemic banks, 2016 International Research Conference, Universidad de Almeria, Almeria, Spain, 24-27 May 2016
- Karafolas, S. * and A. Kleanthous, 2019, Crisis' consequences on recapitalization and exposure for Cypriot and Greek cooperative banks, *CIRIECEspaña, Revista de Economía Pública, Social y Cooperativa*, 96, 5-27. DOI: 10.7203/CIRIEC-E. 96.12974.
- Karafolas, S. * and P. Ktenidou, 2019, Non-performing loans in the Greek case: evolution and initiatives in the regulatory framework, *Journal Transition Studies Review* 26 (3): 29-41, DOI 10.14665/1614-4007-26-1-001

- Related academic journals:

Journal Financial Risk Management

Journal of Banking and Finance