Corona risks

Financial Risk
4-th quarter 2021/22
Course plan

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The big recession 2009

Windstorm insurance

GLASBERGEN

"As an alternative to the traditional 30-year mortgage, we also offer an interest-only mortgage, balloon mortgage, reverse mortgage, upside down mortgage, inside out mortgage, loop-de-loop mortgage, and the spinning double axel mortgage with a triple lutz."

Gudrun January 2005
326 MEuro loss
72 % due to forest losses
4 times larger than second largest

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- Lectures Holger Rootzen, exercises Helga Olafsdottir, projects mainly Holger
- Reading project on some interesting financial risk event: 5-page report, 20 minute oral presentation, with discussant group and general discussion
- Be discussants for one Reading project
- Individual fortunetelling
- Technical project 1: Use extreme value statistics to estimate Value at Risk
- Technical project 2: Credit risk modelling
- Real life exam
- Programming: use any program you want

To do

- Hook up to Slack: Will add link later

- Form groups of 3, enter group into Canvas, choose reading project by Wednesday 23/3

- If you want to be anonymous use alias instead of name, where appropriate

Join forces with Helga and me to make the course as fun as possible: send comments, ideas for improvement, complaints, start discussions ….

You must read "student ethics"

Reading project

Typically the reading projects are best and most fun if you invent a project of your own. However, still, here some examples of projects from the past and a few of new ones:

Corona; Valeant Pharmaceuticals scandal; Money laundering in Scandinavian banks; Basel III; Solvency 2; Markowitz portfolio theory; LTCM; Jerome Kerviel; Behavioral finance; Model risk; High frequency trading; Enron; Should banks be allowed to go into bankruptcy?; Madoff; Lehman brothers; Behavioral finance; Black Swans and Antifragility; The Weavering bankruptcy; 2008 great recession; Impact of Diversification in Risk Management; Michael Milken; Theranos; the Ukraine war

Read file Readingprojectinfo.pdf (more projects there)