Financial Risk Management: Applications in Market, Credit, Asset and Liability Management and Firmwide Risk
Jimmy Skoglund, Wei Chen

**DESCRIPTION**

A global banking risk management guide geared toward the practitioner

Financial Risk Management presents an in-depth look at banking risk on a global scale, including comprehensive examination of the U.S. Comprehensive Capital Analysis and Review, and the European Banking Authority stress tests. Written by the leaders of global banking risk products and management at SAS, this book provides the most up-to-date information and expert insight into real risk management. The discussion begins with an overview of methods for computing and managing a variety of risk, then moves into a review of the economic foundation of modern risk management and the growing importance of model risk management. Market risk, portfolio credit risk, counterparty credit risk, liquidity risk, profitability analysis, stress testing, and others are dissected and examined, arming you with the strategies you need to construct a robust risk management system. The book takes readers through a journey from basic market risk analysis to major recent advances in all financial risk disciplines seen in the banking industry. The quantitative methodologies are developed with ample business case discussions and examples illustrating how they are used in practice. Chapters devoted to firmwide risk and stress testing cross reference the different methodologies developed for the specific risk areas and explain how they work together at firmwide level. Since risk regulations have driven a lot of the recent practices, the book also relates to the current global regulations in the financial risk areas.

Risk management is one of the fastest growing segments of the banking industry, fueled by banks' fundamental intermediary role in the global economy and the industry's profit-driven increase in risk-seeking behavior. This book is the product of the authors'
experience in developing and implementing risk analytics in banks around the globe, giving you a comprehensive, quantitative-oriented risk management guide specifically for the practitioner.

- Compute and manage market, credit, asset, and liability risk
- Perform macroeconomic stress testing and act on the results
- Get up to date on regulatory practices and model risk management
- Examine the structure and construction of financial risk systems
- Delve into funds transfer pricing, profitability analysis, and more

Quantitative capability is increasing with lightning speed, both methodologically and technologically. Risk professionals must keep pace with the changes, and exploit every tool at their disposal. *Financial Risk Management* is the practitioner’s guide to anticipating, mitigating, and preventing risk in the modern banking industry.

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**ABOUT THE AUTHOR**

**JIMMY SKOGLUND** is principal product manager of global risk products at SAS. He has more than fifteen years of market experience developing and implementing risk methodologies, and his articles have appeared in such publications as the *Journal of Risk*, *Journal of Banking and Finance*, and *Journal of Risk Management in Financial Institutions*. Jimmy holds a PhD from the Stockholm School of Economics.

**WEI CHEN** is director of stress testing solutions at SAS. He has more than fifteen years of experience in risk analytics and technology in banking and insurance, and he is an associate editor of the *Journal of Risk Model Validation*. His publications have appeared in several journals including *Journal of Risk* and *Journal of Risk Model Validation*. Wei holds a PhD from the University of Iowa.

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