

Stochastic Methods in Credit Risk Modeling, Valuation and Hedging

Lectures for the 2003 CIME-EMS Summer School on "Stochastic Methods in Finance"

by

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Lecture 1: Introduction to Credit Risk and Credit Derivatives

Lecture 2: Structural Methodologies

Lecture 3: Reduced Form Methodologies

Lecture 5: Dependent Defaults and Credit Migrations

Lecture 5: Hedging of Credit Risk and Collateralization

Bibliography

- [1] Arvanitis, A. and Gregory, J., (2001), *Credit: The Complete Guide to Pricing, Hedging and Risk Management*, RISK Books,
- [2] Bielecki, T.R. and Rutkowski, M., (2002), *Credit Risk: Modeling, Valuation and Hedging*, Springer,
- [3] Cossin, D. and Pirotte, H., (2000), *Advanced Credit Risk Analysis*, John Wiley & Sons, LTD
- [4] Schmid, B., (2002), *Pricing Credit Linked Financial Instruments*, Springer.

¹Most of the presentation will be based on joint work with Marek Rutkowski