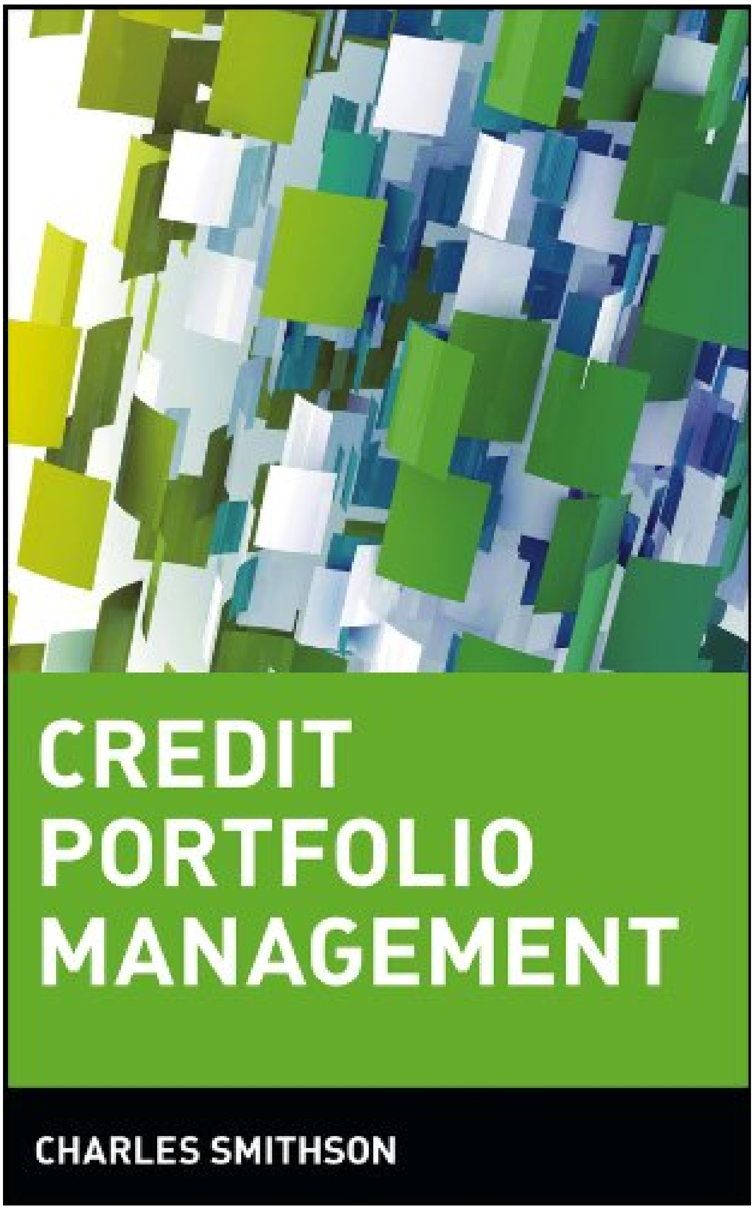
Credit Portfolio Management (Wiley Finance)

Charles Smithson



Charles Smithson : Credit Portfolio Management (Wiley Finance) before purchasing it in order to gage whether or not it would be worth my time, and all praised Credit Portfolio Management (Wiley Finance):

A cutting-edge text on credit portfolio management Credit risk. A number of market factors are causing revolutionary changes in the way it is measured and managed at financial institutions. Charles Smithson, author of the bestselling

Managing Financial Risk, introduces a portfolio management approach to credit in his latest book. Understanding how to manage the inherent risks of this market has become increasingly important over the years. Credit Portfolio Management provides readers with a complete understanding of the alternative approaches to credit risk measurement and portfolio management. This definitive guide discusses the pricing and managing of credit risks associated with a variety of off-balance-sheet products such as credit default swaps, total return swaps, first-to-default baskets, and credit spread options; as well as on-balance-sheet customized structured products such as credit-linked notes, repackage notes, and synthetic collateralized debt obligations (CDOs). Filled with expert insight and advice, this book is a must-read for all credit professionals. Charles W. Smithson, PhD (New York, NY), is the Managing Partner of Rutter Associates and Executive Director of the International Association of Credit Portfolio Managers (IACPM). He is the author of five books, including The Handbook of Financial Engineering and Managing Financial Risk (now in its Third Edition).

From the Inside FlapMarket realities have forced many financial institutions (and will force many others in the future) to change the way they manage their portfolios of credit assets. Evidence of this change can be seen in the rapid growth of secondary loan trading, credit derivatives, and loan securitizations. Less obvious–but far more important–is the fact that these institutions, primarily banks, are abandoning the traditional "originate-and-hold" approach to credit, in favor of the "portfolio approach" of an investor. In Credit Portfolio Management, Charles Smithson clearly defines the most pressing concerns within this evolving arena and provides solid guidance to overcome even the most daunting credit portfolio challenges. Divided into three sections–(I) the credit portfolio management process, (II) tools to manage a portfolio of credit assets, and (III) capital attribution and allocation–this comprehensive guide covers a wide range of issues that credit professionals, from relationship managers and credit analysts to portfolio managers and derivative dealers, must understand. This book begins with an overview of the revolution in credit, demonstrating that measurement and management of capital is the key to effective portfolio management. It then provides you with an executive education on how the principles of Modern Portfolio Theory (MPT) can be applied to credit portfolios. You will also learn about the data requirements and sources for credit portfolio modeling, including the use of probability of default models like SP’s CreditModeltrade;, Moody’s RiskCalctrade;, and Moody’s KMV Credit Monitorreg;. Credit Portfolio Management quickly moves on to explain the three types of credit portfolio models currently in use: structural models such as the Moody’s KMV Portfolio Managertrade; and the RiskMeterics Group’s Credit Managerreg;, macro-factor models, and actuarial models such as CSFB’s CreditRisk+trade;. With a firm understanding of the credit portfolio management process in hand, you’ll be introduced to the tools needed to manage a portfolio of credit assets. Credit Portfolio Management offers in-depth insights and valuable advice on: Loan sales and trading–discussing the primary syndication market as well as the secondary loan market Credit derivatives–their market, how you can price and effectively utilize them, as well as how you can manage a portfolio of credit assets Securitization–a full explanation of the elements of collateralized debt obligations (CDOs), from applications to arbitrage Market realities have changed the way credit portfolios must be managed. Filled with up-to-the-minute tools and techniques, illustrative charts and graphs, and recent industry studies and surveys, Credit Portfolio Management will help you keep pace with these changes.From the Back CoverPraise for Credit Portfolio Management "This book takes a complex subject and makes it accessible and practical. The discussion of economic capital is particularly relevant to any firm that wants to enhance value for its stakeholders. This is important reading for students, regulators, CFOs, and risk managers." ndash;Charles A. Fishkin, Vice Presidentndash;Firm Wide Risk, Fidelity Investments, and Board of Directors of the International Association of Financial Engineers (IAFE) "This book comprehensively captures the framework supporting the entrepreneurial and innovative behavior taking hold among banks as the measures, models, and implementation strategies surrounding the business of managing credit portfolios continues to evolve. Charles Smithsonrsquo;s insightful analysis provides a strong foundation for those wanting to move up the learning curve quickly. A lsquo;must readrsquo; for credit portfolio managers and those who aspire to be!" ndash;Loretta M. Hennessey, Senior Vice President, Canadian Imperial Bank of Commerce "The path to effectively managing credit risk begins with reliable data on default probabilities and loss given default. Charles Smithsonrsquo;s book is an excellent resource for information on sources of data for credit portfolio management, as well as a readable framework for understanding the entire credit portfolio management process." ndash;Stuart Braman, Managing Director, Standard Poorrsquo;s Numerous market factors have forced financial institutions to change the way they manage their portfolio of credit assets. Evidence of this change can be seen in the rapid growth of secondary loan trading, credit derivatives, and loan securitization. Less obviousndash;but far more importantndash;is the fact that these institutions, primarily banks, are abandoning the traditional transaction-by-transaction "originate-and-hold" approach, in favor of the "efficient portfolio approach" of an investor. In Credit Portfolio Management, bestselling author and credit expert Charles Smithson clearly defines the most pressing concerns within this evolving arena and provides solid guidance to overcome even the most daunting credit portfolio challenges. Divided into three equally informative sections . . . I) The credit portfolio management process II) Tools to manage a portfolio of credit assets III) Capital attribution and allocation . . . this comprehensive guide covers a wide range of issues that credit professionalsndash;from risk managers to derivative dealers and investorsndash;must understand. Market realities have changed the way credit portfolios must be managed, and that means you have to change toondash;or get left behind. Filled with up-to-the-minute tools and techniques, illustrative charts and graphs, and recent industry studies and surveys, Credit Portfolio Management will upgrade your skills and enhance your understanding of this unique financial field.About the AuthorCHARLES W. SMITHSON is the Managing Partner of Rutter Associates. His career has spanned the gamut, with positions in academia, government, and the private sector. Smithson most recently worked for CIBC, where he created the School of Financial Products. He was formerly Managing Director for Risk Management Research and Education at Chase Manhattan Bank, and Managing Director for Risk Management Research at Continental Bank. The author of numerous articles in professional and academic journals, Smithson is best known as the originator of the "Building Block Approach" to Financial Products. He is the author of five books, including The Handbook of Financial Engineering and Managing Financial Risk (now in its third edition). Smithson was instrumental in the formation of the International Association of Credit Portfolio Managers (IACPM) and served as its first Executive Director. Smithson served as a member of the Working Group for the Global Derivatives Project, sponsored by the Group of Thirty, and on the board of directors of the International Swaps and Derivatives Association (ISDA). Smithson received his PhD in economics from Tulane University.