Measurement of portfolio credit risk according to CreditMetrics model (Meranie portfóliových kreditných rizík podľa modelu CreditMetrics)

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An article deals with an issue of portfolio credit risk measurement. The main goal is to highlight the importance of measurement credit risk according to empirical researches as well as to practical example. Core of the work consists of definition of main credit risk attributes, depiction of credit risk measurement methodology based on CreditMetrics model and application of this model on illustrative portfolio. CreditMetrics methodology is a tool to measure credit risk in a portfolio due to changes in the value of debt and analyses the migration of assets within a defined rating system. The article analyses credit risk measurement of model example and compares it to the value at risk for various confidence levels. Based on obtained distribution of portfolio values for one year risk horizon the paper refers to a "non-normality" of distribution of the investigated portfolio which is caused by a credit event.

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