This book provides practitioners and students with an intuitive, hands-on introduction to modern credit risk modeling. A typical chapter starts with an approachable presentation of the methodology. Step by step, the authors then show how to implement the methods in Excel and Visual Basic for Applications. Focusing on risk management issues, the book covers default probability estimation (scoring, structural models, and transition matrices), correlation and portfolio analysis, validation, as well as credit default swaps and structured finance. Several appendices and videos increase ease of access.

The authors present a host of applications - many of which go beyond standard Excel or VBA usages. For example, they show how to estimate logit models with maximum likelihood, or how to conduct large-scale Monte Carlo simulations in little time. Even to experienced modelers the book can serve as a toolbox and source of inspiration.

"/// One place, löffler and Posch provide all that is needed to install state-of-the-art risk management system, including a broad understanding of different risk management frameworks, detailed estimation techniques for deriving PD, LCD, and correlation parameters, and programing tools for putting these methods into practice."

"I read this book cover-to-cover and recommend it heartily. For each topic, there is straightforward explanation, practical examples, and implementable coding, this book would have saved me months of effort many times over with its full 'toolset' of Excel/VBA code. I have immediate plans to reread sections and incorporate sections of code into my own spreadsheets"