Quantitative Risk Management: on Extremes and Dependence

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Abstract. Topics included are:

- Extreme Value Theory (EVT): the basics

- The Peaks Over Threshold Method

- Correlation pitfalls

- Modelling dependence beyond linear correlation

- Applications to QRM: the modelling of Operational Risk

- A view from practice

- An outlook on current research within QRM, especially related to EVT

As basic reference I use: *A.J.McNeil, R.Frey and P.Embrechts: Quantitative Risk Management: Concepts, Techniques, Tools. Princeton UP, 2005.* For related reading material, visit my website `www.math.ethz.ch/ embrechts`.