

4 Microfinance Credit Risk Management Tool Guides Accion

Financial institutions are increasingly providing Islamic financial contracts in global markets. As a result of this market growth there is a high demand to understand how to assess and manage the risks arising from applying Islamic financial products and services. Credit, operational, market and liquidity risks together with the risk of non compliance with the Shariah law are becoming very hot issues for financial institutions. This book presents a common framework on how to efficiently manage the risks faced.

Every day in the United States, over two million men, women, and children step onto an aircraft and place their lives in the hands of strangers. As anyone who has ever flown knows, modern flight offers unparalleled advantages in travel and freedom, but it also comes with grave responsibility and risk. For the first time in its history, the Federal Aviation Administration has put together a set of easy-to-understand guidelines and principles that will help pilots of any skill level minimize risk and maximize safety while in the air. The Risk Management Handbook offers full-color diagrams and illustrations to help students and pilots visualize the science of flight, while providing straightforward information on decision-making and the risk-management process.

Master's Thesis from the year 2009 in the subject Business economics - Banking, grade: 1,00, Wiesbaden University of Applied Sciences, course: International Finance, 69 entries in the Bibliography, language: English, abstract: Microfinance Institutions (MFI) have left the role of altruistic instruments for donor-assistance and turned into profitable financial institutions and interesting investment opportunities for international financial investors. However, well-intentioned investments can dramatically increase a MFI's risk exposure and institutions without proper risk management can easily be forced into closure in the aftermath of environmental or economical distress. Moreover MFIs operate predominant in developing countries counting for 94% of all natural disasters worldwide and the vulnerability of their clients is exorbitant high due to their establishment in simple accommodation facilities and the strong dependence on agricultural business. Foreign exchange and disaster risks are considered to be two of the most jeopardising threats for MFIs characterised by close interrelations and ignored by the majority of institutions, investors and credit users. This work compiles a holistic risk management approach starting with the sound assessment of foreign exchange and disaster risks with the aid of modern tools such as hazard modelling and the value-at-risk model. Based on the institutions particular risk-bearing capacity different strategies to minimise and transfer these risks have been evaluated. More than twenty methods from operational hedges to innovative instruments like indexed weather derivatives or currency and catastrophe swaps are investigated concerning their availability, applicability, effectiveness and efficiency in the microfinance context. Furthermore this work seeks to design the strategies in a way that overcomes particular obstacles like the Samaritans dilemma to create sustainable security along with

Global Credit Review is an annual publication that provides an overview of the most important developments in global credit markets and the regulatory landscape. The third volume provides some critical analysis, reviews the introduction of new regulations and also offers new insights to address the challenges ahead. The carefully selected chapters touch on current topics such as: the measurement of systemic risk, reserve requirements and its role in monetary policy, the application of the Basel II default definition by credit risk assessment systems, and changes in credit portfolio management, amongst others. Recent evolutions of the Risk Management Institute's Credit Research Initiative are also reported, including a comprehensive overview of the technical details on the implementation of the current RMI-CRI corporate default prediction model. With its distinctive focus on topics related to credit markets and credit risk, this is an invaluable publication for finance professionals, policy makers and academics with an interest in credit markets. Contents:Systemic Risk in Europe (Eric Jondeau and Michael Rockinger)Changes in the Ratings Game – An Update on Various Developments (RMI staff)Reserve Requirements as Window Guidance in China (Violaine Cousin)The Implementation of the Basel II Default Definition by Credit Risk Assessment Systems: An Analysis of Possible Aggregation Procedures (Markus Bingham and Laura Auria)Can Credit-Scoring Models Effectively Predict Microloans Default? Statistical Evidence from the Tunisian Microfinance Bank (Ibtissem Baklouti and Abdelfettah Bourri)Stepping Up to the Liquidity Challenge: The Changing Role of Credit Portfolio Management (IACPFI and KPMG)NUS-RMI Credit Research Initiative Technical Report (Version: 2013, Update 2b) (RMI staff) Readership: Finance professionals, policy makers and academics with an interest in credit markets. Keywords:Systemic Risk;Marginal Expected Shortfall;Multi-Factor Model;Volatility;Correlation;Regulations;Credit-Rating Alternatives;Recommendations;Lawsuits;Sovereign Ratings;Non-Financing Loans;Reserve Requirements;Monetary Policy;China Banks;Asset Quality;Central Bank;Bank Regulation;Window Guidance;Basel II Default Definition;Materiality;Probability of Default;Aggregation of Default Information;Credit Scoring;Micro-Credit Default Risk;Logistic Regression;Tunisian Microfinance Bank;Credit Portfolio Management;Funding Liquidity Management;Asset and Liability Management;Capital;Liquidity;Liquidity Coverage RatioKey Features:A distinctive focus on credit risk related topics that are relevant for academics, policymakers and practitioners, linking rigorous theoretical and empirical research with clear practical implicationsAn annual update on global credit market dynamics and financial regulationsTouches on current topics such as the measurement of systemic risk, the role of

reserve requirements in monetary policy, and changes in credit portfolio management

Evolving Strategies to Mitigate Credit Risk, Optimize Lending Portfolios, and Check Delinquent Loans

International Convergence of Capital Measurement and Capital Standards

Financial Performance and Outreach: A Global Analysis of Leading Microbanks

Microfinance

Analyzing and Managing Banking Risk

Microfinance, EU Structural Funds and Capacity Building for Managing Authorities

Microfinance has long been recognized as having significant potential to create jobs and reduce poverty. But to meet the twin challenges of growth and sustainability, managers of microfinance institutions (MFIs) must not only understand essential management functions: they must also be armed with innovative ideas and strategies to succeed in today's increasingly competitive environment. This book provides a valuable overview of the key management principles necessary to optimize the services of MFIs. The book examines the markets and marketing of MFIs and captures the different ways that managers can communicate the value of their products and services. It offers strategies to prevent risk from occurring and, if it does occur, explains how to rectify the situation. Practical techniques for allocating costs and determining prices are also highlighted, as well as the importance of plans, budgets and reports. In a clear, easy to follow presentation, the book includes illustrations and case studies to assist managers in applying the concepts outlined in the text.

This book explains how a proper credit risk management framework enables banks to identify, assess and manage the risk proactively.

Using a framework of volatile markets Emerging Market Bank Lending and Credit Risk Control covers the theoretical and practical foundations of contemporary credit risk with implications for bank management. Drawing a direct connection between risk and its effects on credit analysis and decisions, the book discusses how credit risk should be correctly anticipated and its impact mitigated within framework of sound credit culture and process in line with the Basel Accords. This is the only practical book that specifically guides bankers through the analysis and management of the peculiar credit risks of counterparties in emerging economies. Each chapter features a one-page overview that introduces its subject and its outcomes. Chapters include summaries, review questions, references, and endnotes. Emphasizes bank credit risk issues peculiar to emerging economies Explains how to attain asset and portfolio quality through efficient lending and credit risk management in high risk-prone emerging economies Presents a simple structure, devoid of complex models, for creating, assessing and managing credit and portfolio risks in emerging economies Provides credit risk impact mitigation strategies in line with the Basel Accords

This is the second edition of this book which considers issues involved in the assessment, analysis, and management of financial risks in banking. It highlights risk-management principles and the accountability of key players in corporate governance process, as well as discussing transparency in bank's financial statements. It also contains new material including chapters on the management of the treasury function, management of a stable liquidity investment portfolio, and a discussion of proprietary trading activities and asset management liability components. A hardback version is also available (ISBN 0821354655) containing illustrative prototype software and Excel spreadsheets which can be adapted for banking diagnostic processes.

Poverty Reduction Strategy Paper

Making Microfinance Work

Credit Risk Modeling

Risk Management Handbook

Volume 3

Introduction to Microfinance

This book provides guidelines and technical recommendations on microfinance based on expert presentations and cases from around the world.

This first of three volumes on credit risk management, providing a thorough introduction to financial risk management and modelling.

The purpose of the 'Microfinance Handbook' is to bring together in a single source guiding principles and tools that will promote sustainable microfinance and create viable institutions.

The HKIB Certification Series offers readers a comprehensive overview of the modern banking industry. Drawing on material from some of Wiley's top international authors and supplemented with data and cased from local experts, the series offers the Hong Kong banking professional complete coverage of the AHKIB exam. The series also serves as a useful reference for anyone involved in the Hong Kong finance industry.

Microfinance and Its Impact on Entrepreneurial Development, Sustainability, and Inclusive Growth

Bangladesh

Principles of Sustainable Finance

Managing Risk and Creating Value with Microfinance

Theory and Applications

Measurement, Evaluation and Management

In 2011 the World Bank—with funding from the Bill and Melinda Gates Foundation—launched the Global Findex database, the world's most comprehensive data set on how adults save, borrow, make payments, and manage risk. Drawing on survey data collected in collaboration with Gallup, Inc., the Global Findex database covers more than 140 economies around the world. The initial survey round was followed by a second one in 2014 and by a third in 2017.

Compiled using nationally representative surveys of more than 150,000 adults age 15 and above in over 140 economies, The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution includes updated indicators on access to and use of formal and informal financial services. It has additional data on the use of financial technology (or fintech), including the use of mobile phones and the Internet to conduct financial transactions. The data reveal opportunities to expand access to financial services among people who do not have an account—the unbanked—as well as to promote greater use of digital financial services among those who do have an account. The Global Findex database has become a mainstay of global efforts to promote financial inclusion. In addition to being widely cited by scholars and development practitioners, Global Findex data are used to track progress toward the World Bank goal of Universal Financial Access by 2020 and the United Nations Sustainable Development Goals. The database, the full text of the report, and the underlying country-level data for all figures—along with the questionnaire, the survey methodology, and other relevant materials—are available at www.worldbank.org/globalfindex.

New developments in measuring, evaluating and managing credit risk are discussed in this volume. Addressing both practitioners in the banking sector and resesarch institutions, the book provides a manifold view on one of the most-discussed topics in finance. Among the subjects treated are important issues, such as: the consequences of the new Basel Capital Accord (Basel II), different applications of credit risk models, and new methodologies in rating and measuring credit portfolio risk. The volume provides an overview of recent developments as well as future trends: a state-of-the-art compendium in the area of credit risk.

Microfinance has successfully spread across most of the developing world and has provided access to credit to over 100 million asset-poor clients. Despite this accomplishment, there is little evidence that it has resulted in sustained income growth and poverty reduction. In light of this problem, researchers and practitioners are seeking to develop microfinance contracts that achieve both high repayment rates and promote high return investments. Two tools hoped to achieve these ends in an agricultural context are joint liability and index insurance. This dissertation seeks to investigate the separate and combined impacts of these two financial technologies on credit market participation and investment behavior. In Chapter 1, I provide a brief introduction to the two financial technologies and set the stage for the three main essays. In Chapter 2, I investigate the willingness to pay for index based rainfall insurance-backed agricultural loans in northern Ghana using a contingent valuation methodology. The results demonstrate a preference for insurance payouts made directly to the farmer over those made to the bank, a high willingness to pay to avoid basis risk, and that insurance results in an overall reduction in demand for agricultural loans. In Chapter 3, I investigate the role that social capital plays in risk taking under joint liability loans. I develop a theoretical model of joint liability group credit and demonstrate that shame penalties and altruism between symmetric pairs of borrowers reduce risk taking, while risk taking between asymmetric pairs of borrowers can rise due to free riding. Results from a framed field experiment and a social network survey administered in Tanzania lend empirical support for this theoretical model. In Chapter 4, I investigate the impact of index insurance-backed contingent credit on risk taking under individual and joint liability loan contracts. I develop a theoretical model that predicts increases in risk taking under contingent credit when default penalties and risk aversion are sufficiently high, and these results hold under both individual and joint liability. I use a framed field experiment conducted in rural Tanzania to support the model empirically. I show that index insurance-backed contingent credit has a robust positive impact on risk taking under both individual and joint liability loan contracts that increases with default penalties and risk aversion.

Poverty Reduction Strategy Papers are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated with annual progress reports, they describe the countries macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing. This country document for Bangladesh is being available on the IMF website by agreement of the member country as a service to users of the IMF website.

Issues, Policies and Performance Evaluation

A Framework for Assessing Corporate Governance and Financial Risk

Managing for Improved Performance

Basic Concepts: Financial Risk Components, Rating Analysis, Models, Economic and Regulatory Capital

Microfinance 3.0

Global Credit Review

Credit risk is today one of the most intensely studied topics in quantitative finance. This book provides an introduction and overview for readers who seek an up-to-date reference to the central problems of the field and to the tools currently used to analyze them. The book is aimed at researchers and students in finance, at quantitative analysts in banks and other financial institutions, and at regulators interested in the modeling aspects of credit risk. David Lando considers the two broad approaches to credit risk analysis: that based on classical option pricing models on the one hand, and on a direct modeling of the default probability of issuers on the other. He offers insights that can be drawn from each approach and demonstrates that the distinction between the two approaches is not at all clear-cut. The book strikes a fruitful balance between quickly presenting the basic ideas of the models and offering enough detail so readers can derive and implement the models themselves. The discussion of the models and their limitations as well technical appendices help readers expand and generalize the models themselves or to understand existing generalizations. The book emphasizes models for pricing as well as statistical techniques for estimating their parameters. Applications include rating-based modeling, modeling of dependent defaults, swap- and corporate-yield curve dynamics, credit default swaps, and collateralized debt obligations.

Microfinance in developing countries: Issues, policies and performance evaluation is a collection of studies by leading researchers in the field of microfinance. It discusses key issues that the rapidly growing microfinance industry currently faces. It offers interesting views and innovative analysis of topical matters concerning impact, performance, challenges and innovations in the microfinance realm. Issues relating to impact include measurement problems; the debate of multiple versus single assessment criteria; and the question of whether microfinance institutions are effective in delivering the microfinance promise. Issues relating to performance include the ongoing debate over the balance between social and financial performance; performance measures; and the controversy over mission drift. Issues relating to the challenges faced by the microfinance industry include the problem of over-indebtedness; improving agricultural microfinance; and assessing the role of local culture in the design of an effective microfinance sector. Lastly, topical issues relating to innovations include assessment of technological and financial innovations and the application thereof as well as the continued expansion of microfinance beyond microcredit in developing countries. Together these issues provide an overview of microfinance as it stands today and point to the direction in which it is heading.

Microfinance is a comprehensive analysis of the operational, managerial and financial aspects of microfinance. The text provides a contemporary analysis of microfinance business covering the risks, returns and management issues associated with such activity. It analyzes the main products and services available in modern microfinance and explains how to manage the financial and non financial risks involved. The book also provides a performance and monitoring model for microfinance programmes and describes how microfinance can be regulated.

The seminal guide to risk management, streamlined and updated Risk Management in Banking is a comprehensive reference for the risk management industry, covering all aspects of the field. Now in its fourth edition, this useful guide has been updated with the latest information on ALM, Basel 3, derivatives, liquidity analysis, market risk, structured products, credit risk, securitizations, and more. The new companion website features slides, worked examples, a solutions manual, and the new streamlined, modular approach allows readers to easily find the information they need. Coverage includes asset liability management, risk-management topics in a single text Discover the latest research and the new practices Understand all aspects of risk management and banking management See the recent crises – and the lessons learned – from a new perspective Risk management is becoming increasingly vital to the banking industry even as it grows more complex. New developments and advancing technology continue to push the field forward, and professionals need to stay up-to-date with in-depth information on the latest practices. Risk Management in Banking provides a comprehensive reference to the most current state of the industry, with complete information and expert guidance.

Microfinance in Developing Countries

Micro-finance and the empowerment of women : a review of the key issues

The Ugandan Banker

The Crisis of Microcredit

A Comparative Analysis of European Convergence Regions

The Microfinance Schism

Credit Risk Management will enable general bankers, staff, and credit analyst trainees to understand the basic information and principles underlying credit risk evaluation, and to use those underlying principles to undertake an analysis of non financial and financial risks when preparing a credit proposal. Since the best loans are the ones that do not present problems during the repayment phase, the authors also focus on elements relating to the proactive management of those loans during their inception. This book introduces: "Credit analysis, approval and management processes "Concepts of financial and non-financial risk "Financial statement analysis, including the use of ratio analysis "Cash flow analysis and forecasting "Security enhancement & management procedures designed to legally & financially manage credit risk "Inspired by the basic entry level training courses that have been developed by major international banks worldwide. "Will enable students and those already in the finance profession to gain an understanding of the basic information and principles of credit risk "Questions with answers, study topics, practical "real world" examples and text with an extensive bibliography

This book provides a unique, focused introduction to the analytical skills, methods and techniques in the assessment of credit risk that are necessary to tackle and analyze complex credit problems. It employs models and techniques from operations research and management science to investigate more closely risk models for applications within the banking industry and in financial markets. Furthermore, the book presents the advances and trends in model development and validation for credit scoring/rating, the recent regulatory requirements and the current best practices. Using examples and fully worked case applications, the book is a valuable resource for advanced courses in financial risk management, but also helpful to researchers and professionals working in financial and business analytics, financial modeling, credit risk analysis, and decision science.

Microcredit programmes, long considered efficient development tools, now face unprecedented crises in a number of countries. Is this the end of microcredit or rather an essential step in its expansion? Should we stop microcredit altogether or rethink the way it is implemented? Drawing on extensive empirical research conducted in various parts of the world - from Morocco to Senegal to India - this important volume examines the whole chain of microcredit to provide the answers to these questions. In doing so, the authors highlight the diversity of crises, both in intensity and in nature, while also shedding light on a diversity of causes, be it microcredit organizations unprepared for massive growth, saturated local economies or greedy investors and shareholders attracted by profits. Crucially, the authors demonstrate that microcredit is not a monolithic project, and the crises should also be analysed in the light of national histories and policies. An original and necessary intervention in what has become one of the most contentious topics within the development world.

In recent years, the European Commission has attached increasing importance to the use of financial engineering instruments rather than traditional grant-based financing for the microcredit sector, considering these to be the most efficient option available. This book presents a study of capacity building and structural funds in public managing authorities for the microcredit sector. It presents two surveys to highlight the strengths and weaknesses of the managing authorities' capacity building. The first survey investigates the authorities' need for and interests in capacity building activities, assessing the areas in which capacity building support is needed, and explores the different types of support offered. The second survey analyses the results of the microcredit and microfinance programming activity, investigating its target groups and other operational features. It examines the key monitoring and reporting issues involved in this activity, before analysing the regulatory framework of the microcredit and microfinance sector. This book presents an in-depth analysis of structural funds and their management by policy-makers in the European convergence regions. It explores the interests of managing authorities, microcredit institutions, operators and other financial intermediaries involved in microcredit programming activities, and offers some core strategic and operational recommendations for the use of structural funds in the microcredit sector.

A Framework for Assessing Corporate Governance and Risk Management

Emerging Market Bank Lending and Credit Risk Control

The Handbook of Corporate Financial Risk Management

Financial Risk Management for Islamic Banking and Finance

Analyzing Banking Risk

Food security has always been a major global concern and is getting more attention in recent years. In fact, the global economy and stability has been severely challenged by the precarious state of food security, which was exacerbated by a combination of sharp price volatility and disastrous weather conditions related to climate change. The book aims to improve the analysis and projection of agricultural production and marketing, facilitates information exchange to better food supply and demand, and ultimately contributes to enhance world food security and sustainable global agricultural development.

Combining theory, empirical data, and policy this book provides a fresh analysis of sustainable finance. It explains the sustainability challenges for corporate investment and shows how finance can steer funding to certain companies and projects without sacrificing return, speeding up the transition to a sustainable economy.

This book explores for the first time the world of micro-finance, Chinese startups, and the digitalization of the Chinese economy. Through the cases such as the Ant Financial Services Group, CFPA Microfinance, micro-finance projects of China Minsheng Bank, Meixing in Nanchong, and more, this book introduces the practical exploration in the recent years from the perspectives of microfinance, financing of small and medium sized enterprises, digital inclusive finance, and credit. From the perspective of management, it especially integrates an enterprise's task, vision, and value into the design of organization process, deeply explores how to realized the double bottom lines of social and financial performances, manifests how microfinance's marginal cost is reduced by digital finance such as data, internet, cloud computing, artificial intelligence and the advantages of digital finance in providing convenient, low-cost, and touchable service, and discusses its huge technological bonus to small-amount, decentralized, and large-quantity microfinance. This book will be of value to journalists, economists and researchers.

This book provides a comprehensive overview of topics focusing on assessment, analysis, and management of financial risks in banking. The publication emphasizes risk-management principles and stresses that key players in the corporate governance process are accountable for managing the different dimensions of financial risk. This third edition remains faithful to the objectives of the original publication. A significant new edition is the inclusion of chapters on the management of the treasury function. Advances made by the Basel Committee on Banking Supervision are reflected in the chapters on capital adequacy, transparency, and banking supervision. This publication should be of interest to a wide body of users of bank financial data. The target audience includes persons responsible for the analysis of banks and for the senior management or organizations directing their efforts.

A Revised Framework

FAA-H-8083-2

Analytical Techniques in the Assessment of Credit Risk

Inclusive Finance in China

Microfinance Handbook

The Global Findex Database 2017

This book focuses on the achievements, current trends and further potential of microfinance to scale-up and serve many more clients with financial services that enable them to improve their living conditions. The book asks what it takes to achieve sustainable impact: to know your clients and to understand their needs, to treat them in a fair and transparent way, and to safeguard the synthesis between the financial and social dimension of sustainable microfinance. The book also commercial funders on board while ensuring that these new funders will continue the commitment to responsible finance. While being forward looking, the book reflects the debate on core values of microfinance, triggered by recent criticisms of an approach that was hailed as a panacea in the beginning and which had proved over time as one of the most effective models of development finance. These criticisms emerged over signs of overheating in some markets, particularly the microfinance crisis, putting seriously at stake the good reputation microfinance had enjoyed so far.

Microfinance is a broad variety of services, such as microcredit, for entrepreneurs and small businesses lacking access to banking and other financial services. As many smaller businesses and entrepreneurs may not be able to secure credit services, many microfinance promoters believe that it encourages entrepreneurial activities and inclusive growth. Microfinance and Its Impact on Entrepreneurial Development, Sustainability, and Inclusive Growth is an essential resource that empowers entrepreneurs and financial institutions. It also highlights the impact of microfinance on entrepreneurship development in different countries and regions. Featuring coverage on a broad range of topics such as risk management, women entrepreneurship, and strategic management, this book provides essential research for entrepreneurs, business managers, policy makers, researchers in the field of finance, and business professionals seeking relevant research on microfinance.

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An Overview of Methodologies and Applications

Risk Management in Banking

An Institutional and Financial Perspective

Credit Risk Management

Three Essays on Agricultural Microfinance and Risk Management

Microfinance Through Self Help Group (Shg) Bank Linkage Programme An Impact Assessment