1. Record Nr. UNINA9910788414803321 Autore Liu Kexue **Titolo** Review and Implementation of Credit Risk Models of the Financial Sector Assessment Program (FSAP) / / Kexue Liu, Jean Salvati, Renzo Avesani, Alin Mirestean Washington, D.C.:,: International Monetary Fund,, 2006 Pubbl/distr/stampa **ISBN** 1-4623-6191-9 1-4527-6528-6 1-283-51160-6 1-4519-0915-2 9786613824059 Descrizione fisica 1 online resource (35 p.) Collana **IMF** Working Papers Altri autori (Persone) SalvatiJean AvesaniRenzo MiresteanAlin Soggetti Credit - Management - Mathematical models Financial services industry - State supervision Banks and Banking **Econometrics** Money and Monetary Policy Portfolio Choice **Investment Decisions** Financial Institutions and Services: General **Banks Depository Institutions** Micro Finance Institutions Mortgages Mathematical Methods and Programming: General Computational Techniques Monetary Policy, Central Banking, and the Supply of Money and Credit: General Time-Series Models **Dynamic Quantile Regressions Dynamic Treatment Effect Models Diffusion Processes Financing Policy** 

Financial Risk and Risk Management Capital and Ownership Structure

Value of Firms

Goodwill

Monetary economics

Econometrics & economic statistics Financial services law & regulation

Credit

Vector autoregression

Credit risk

Financial risk management

Lingua di pubblicazione

Inglese

**Formato** 

Materiale a stampa

Livello bibliografico

Monografia

Note generali

"May 2006."

Nota di bibliografia

Includes bibliographical references.

Nota di contenuto

""Contents""; ""I. INTRODUCTION""; ""II. THE BASIC MODEL SETTING"";
""III. MODEL 1: A SIMPLE MODEL WITH NON-RANDOM DEFAULT
PROBABILITIES""; ""IV. INTRODUCING THE POISSON APPROXIMATION"";
""V. MODEL 2: THE MODEL WITH KNOWN PROBABILITIES REVISITED"";
""VI. MODEL 3: THE MODEL WITH RANDOM DEFAULT PROBABILITIES"";
""VII. THE LATENT FACTORS ASSUMPTION""; ""VIII. MODEL 4: EXTENSION
OF CREDIT RISK+ WITH CORRELATED FACTORS""; ""IX. MODEL
SUMMARY""; ""X. NUMERICAL IMPLEMENTATION""; ""XI. NUMERICAL
EXAMPLES USING THE CREDIT RISK TOOLBOX""; ""XII. CONCLUSION""
""PROBABILITY AND MOMENT GENERATING FUNCTIONS"""References""

Sommario/riassunto

The paper presents the basic Credit Risk+ model, and proposes some modifications. This model could be useful in the stress-testing financial sector assessments process as a benchmark for credit risk evaluations. First, we present the setting and basic definitions common to all the model specifications used in this paper. Then, we proceed from the simplest model based on Bernoulli-distributed default events and known default probabilities to the fully-fledged Credit Risk+ implementation. The latter is based on the Poisson approximation and uncertain default probabilities determined by mutually independent risk factors. As an extension we present a Credit Risk+ specification with correlated risk factors as in Giese (2003). Finally, we illustrate the characteristics and the results obtained from the different models using a specific portfolio of obligors.