

MACRO CREDIT SCORING AS A PROPOSAL FOR QUANTIFYING CREDIT RISK

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ABSTRACT

Credit Scoring is a methodology used in finance to quantify the credit risk of individuals/firms; this article proposes the application of this technique as a tool to measure the aggregated risk of banks and the banking system. An application in the Bolivian commercial banking system is presented, in order to expose the proposed methodology, called Macro Credit Scoring. By applying this methodology, it is identified that the risk measure applied is greater than that needed in the Bolivian commercial banking system in the current situation. Finally, empirical evidence of the relationship between credit risk and economic variables (macro / micro) is presented

Keywords: Credit Scoring, Risk Management, Credit Risk, Banking.