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 but 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. It 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 notify the situation: Practical techniques for allocating costs and determining prices are also highlighted, as well as the importance of plans, budgets, and reports.

Three Essays on Agricultural Microfinance and Risk Management

Master's Thesis from the year 2008 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, 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 economic distress. Moreover, MFI's operating models are predominating in developing countries, where 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 jeopardizing threats for MFIs characterized 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 modeling and the value-at-risk model. According to the institutions particular risk-bearing capacity different strategies to minimize and transfer these risks have been evaluated. Moreover, they offer methods for operational/hedge to innovative instruments like indexed weather derivatives or catastrophe and bearchat are investigated concerning their availability, applicability, effectiveness and efficiency in the microfinance context. Furthermore, the work seeks to design the strategies in a way that overcomes particular obstacles like the Samarian dilemma to create sustainable security along with

Managing Portfolio Credit Risk in Banks

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 increased 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 of smallholder farmers in rural Tanzania.

Managing Foreign Exchange and Disaster Risk in Microfinance Institutions

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 increased 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 of smallholder farmers in rural Tanzania.

Risk Management in Banking

This book explores for the first time the world of micro-finance, Chinese etipatai, and the digitalization of the Chinese economy. Through the cases such as the Ant Financial Services Group, CFPA Microfinance, micro-financial projects of China Minhang Bank, Maiming in Nanchong, and more, this book introduces the practical explanation 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 microfinance, 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.

Performance of Financial Institutions

Risk Management in Banking

In this book, two of America's leading economists provide the first integrated treatment of the conceptual, practical, and empirical foundations for credit risk pricing and risk measurement. Masterfully applying theory to practice, Daniel Guccione and Kenneth Singleton model credit risk for the purpose of measuring portfolio risk and pricing defaultable bonds, credit derivatives, and other securities exposed to credit risk. The methodological rigor, scope, and sophistication of their state-of-the-art account is unrivaled, and its singularly in-depth treatment of pricing and credit derivatives further illuminates a problem that has drawn much attention in an era where financial institutions continue to evolve and financial management strategy is changing. This book's approach to credit risk offers considerable insights about both the theoretical and practical aspects of credit risk. Their approach blends in-depth discussions of the conceptual foundations of modeling with extensive analyses of the empirical properties of such credit-related time series as default probabilities, recoveries, ratings transitions, and yield spreads. Both the "structural" and "reduced-form" approaches to pricing defaultable securities are presented, and their comparative fits to historical data are assessed. The authors also provide a comprehensive treatment of the pricing of credit derivatives, including credit swaps, collateralized debt obligations, credit derivatives, guarantees, lines of credit, and spread options. Not least, they describse certain enhancements to current pricing and management practices that they argue, can improve the positioning of financial institutions for future changes in the financial markets. Credit Risk is an indispensable resource for risk managers, traders on regulators dealing with financial institutions with credit risk instruments, as well as academics, researchers and students.

Foreign Exchange and Disaster Risk Management in Microfinance Institutions

Emerging Market Bank Lending and Credit Risk Control

Making Microfinance Work

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 but 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. It 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 notify the situation: Practical techniques for allocating costs and determining prices are also highlighted, as well as the importance of plans, budgets, and reports.
Managing Risk and Creating Value with Microfinance

The first full analysis of the latest advances in managing credit risk. 'Apart from a background of radical industry evolution, the authors of Managing Credit Risk: The Next Great Financial Challenge provide a concise and practical overview of these dramatic market and technical developments in a book which is destined to become a standard reference in the field.' - Thomas C. Wilson, Partner, McKinsey & Company, Inc. "Managing Credit Risk is an outstanding and important intellectual achievement. The authors have provided a comprehen..."
Building Inclusive Financial Systems

Promoting credit services to small and medium-size enterprises (SMEs) has been a perennial challenge for policy makers globally due to high information costs. Recent fintech developments may be able to mitigate this problem. By leveraging big data or digital footprints on existing platforms, some big technology (BTech) firms have extended short-term loans to millions of small firms. By analyzing about 1.8 million loan transactions of a leading Chinese online bank, this paper compares the fintech approach to assessing credit risk using big data and machine learning models with the bank approach using traditional financial data and scorecard models. The study shows that the fintech approach yields better prediction of loan defaults during normal times and periods of large exogenous shocks, reflecting information and modeling advantages. BTech's proprietary information can complement or, where necessary, substitute credit history in risk assessment, allowing unraveled firms to borrow. Furthermore, the fintech approach benefits SMEs that are smaller and in smaller cities, hence complementing the role of banks by reaching underserved customers. With more effective and balanced policy support, BTech lenders could help promote financial inclusion worldwide.

Microfinance Handbook

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 the subject and its outcomes. Chapters include summaries, review questions, references, and endnotes. Emphasizes bank credit risk issues peculiar to emerging economies.

Credit Analysis and Lending Management

Fintech Credit Risk Assessment for SMEs: Evidence from China

Credit risk is the risk resulting from the uncertainty that a borrower or a group of borrowers may be unwilling or unable to meet their contractual obligations as per the agreed terms. It is the largest element of risk faced by most banks and financial institutions. Potential losses due to high credit risk can threaten a bank’s solvency. After the global financial crisis of 2008, the importance of adopting prudent risk management practices has increased manifold. This book attempts to demystify various standard mathematical and statistical techniques that can be applied to measuring and managing portfolio credit risk in the emerging market in India. It also provides deep insights into various nuances of credit risk management practices derived from the best practices adopted globally, with case studies and data from Indian banks.

Managing Credit Risk

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.

The Global Findex Database 2017

Fully revised and updated from the highly successful previous edition, Risk Management in Banking, 2nd Edition covers all aspects of risk management, shedding light on the extensive new developments in the field. There is a new emphasis on current-practice, as well as in-depth analysis of the latest in research and techniques. This edition has been expanded to include an in-depth discussion of credit risk models, asset and liability management, credit valuation, risk-based capital, VAR, loan portfolio management, fund transfer pricing and capital allocation. Quantitative material is presented in more detail and the scope of the book has been expanded to include investment banking and other financial services.

Credit Analysis and Lending Management

Capital Markets, CDFIs, and Organizational Credit Risk

Broad-based and inclusive financial systems significantly raise growth, alleviate poverty, and expand economic opportunity. Households, small enterprises, and the rural poor often have difficulty obtaining financial services for a multitude of reasons, including transaction costs, perceived risk, inadequate infrastructures, and information barriers. Yet many financial institutions are now making profitable inroads into underserved markets through formal banking, investment in equities, venture capital, postal banks, and microfinance. Access to Finance addresses the challenges of making financial systems more inclusive, emulating successful ventures in new markets, and utilizing technologies and government policies to support the expansion of financial access. The contributors examine many dimensions of financial access, including: • Measuring financial inclusion • Understanding the impact of expanded access • Examining alternative institutional models • Exploring new technologies and information infrastructure • Evaluating government policies toward outreach.