

## **Credit risk management: A new multicriteria approach to assess creditworthiness**

### **Abstract**

Credit risk management is a key issue for any company anytime, but is especially important in the case of the banking industry. This fact is more than obvious in times of financial crises, when financial institutions can suffer high losses due to unpaid credits. For this reason, international financial supervisors and authorities have forced the banks to monitor their credit risk and this risk is a variable which is constantly under the scrutiny of all the financial agents in the international markets.

There are actually several methodologies which seek to predict the probability of default of debtors. Many of them use logit to discriminate among debtors. New methodologies employ neural networks or multicriteria methods. This paper presents a new proposal based on goal programming, which allows to incorporate the judgment of experts into the model.

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