Quantitative Models for Credit Risk Assessment

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Abstract

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In recent financial crisis, many financial institutions suffered heavy loss from customers' defaults on loans. Credit risk assessment is becoming one of the most important topics in the field of financial risk management. Quantitative credit scoring models are widely used tools for credit risk assessment in financial institutions for their great efficiencies, time-saving, and reducing subjectivity in the loan approval process. The performance with different measurement of more than ten quantitative methods for credit risk assessment from different disciplines will be discussed in this topic, which may be helpful for model selection in the development of credit risk assessment system.

Short Biography

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Professor Lai received his PhD at Michigan State University, USA. He is currently the Chair Professor of Management Science at the City University of Hong Kong. He is also the Director of the Invesco-Great Wall Research Unit on Risk Analysis and Business Intelligence (RABI) at the Faculty of Business. Prior to his current post, he was a Senior Operational Research Analyst at Cathay Pacific Airways and an Area Manager for Marketing Information Systems at Union Carbide Eastern.

Professor Lai's main areas of research interests are operations and supply chain management, financial and business intelligent modeling. He has extensively published in international refereed journals on the above areas. He is the editor-in-chief of the International Journal of Computational Science, International Journal of Optimization: Theory, Methods and Applications and International Journal of Operations Research. He is also on the editorial board for the International Abstracts in Operations Research, Journal of Operational Research and Management Science of China, Journal of Management of China, Journal of System Engineering of China, International Journal of Operations and Quantitative Management, International Journal of Manufacturing Technology and Management, International Journal of Industrial Engineering and Management and International Journal of Simulation Modelling.

Professor Lai is the member of the International Advisory Committee of the Journal of Operational Research Society of UK, Council of International Federation of Operational Research Societies, Council of Association of Asian Pacific Operations Research Societies, Council of the Asia Pacific Industrial Engineering and Management Society, Council of Chinese Society of System Engineering, and Council of Chinese Society of Decision Sciences. He is the Founding

Chairman and currently the President of the Asia Association on Risk and Crises Management. In addition, Professor Lai is the recipient of the 2009 Joon S. Moon Distinguished International Alumni Award of the Michigan State University.