Stress-testing the Banking System: Methodologies and Applications

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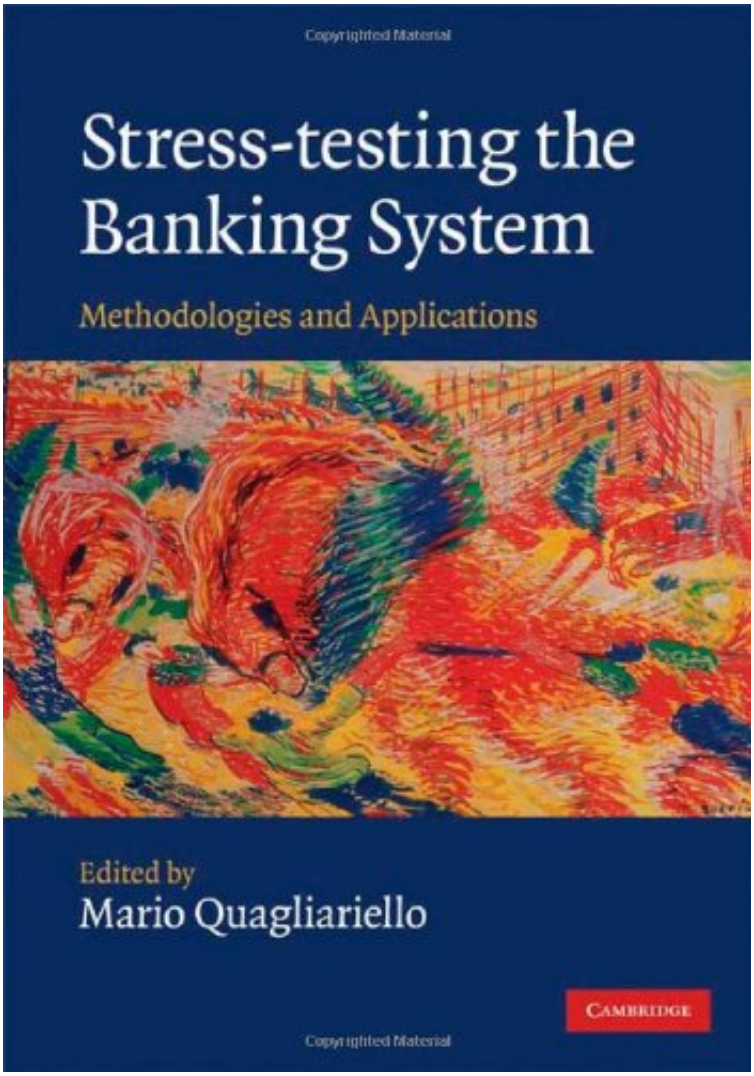

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From Cambridge University Press : Stress-testing the Banking System: Methodologies and Applications before purchasing it in order to gage whether or not it would be worth my time, and all praised Stress-testing the Banking System: Methodologies and Applications:

1 of 3 people found the following review helpful. A Book that Needed to be Written has Arrived!By Fin EconThis book is an early and important tract on stress testing of the banking system.The book synthesized important information from a number of sources.A must read for those interested in macro-prudential risk management and policy.Any excellent text covering a growing field at the intersection of finance and macroeconomics.

Stress tests are used in risk management by banks in order to determine how certain crisis scenarios would affect the

value of their portfolios, and by public authorities for financial stability purposes. Until the first half of 2007, interest in stress-testing was largely restricted to practitioners. Since then, the global financial system has been hit by deep turbulences, including the fallout from sub-prime mortgage lending. Many observers have pointed out that the severity of the crisis has been largely due to its unexpected nature and have claimed that a more extensive use of stress-testing methodologies would have helped to alleviate the repercussions of the crisis. This book analyses the theoretical underpinnings, as well as the practical aspects, of applying such methodologies. Building on the experience gained by the economists of many national and international financial authorities, it provides an updated toolkit for both practitioners and academics.