

Enter your search terms here

Advanced
search[Home](#) / [Journals](#) / [Kybernetes](#) / [Volume 49 Issue 9](#) / A microcredit evaluation model for non-bank financial institutions

To read this content please select one of the options below:

Add to cart

37.00€ (excl. tax)
30 days to view and
download

Access through your institution

Access and purchase options ▾

A microcredit evaluation model for non-bank financial institutions

[Ramona Diana Leon, Laurențiu Mihai Treapăt, Anda Gheorghiu, Sergiu Octavian Stan](#) ▾[Kybernetes](#)

ISSN: 0368-492X

(International

Article publication date: 21 June 2019

Standard

Permissions

Serial publication date: 5 September 2020

Number.)

DOWNLOADS



189



Abstract

Purpose

The paper aims to develop a microcredit evaluation model (MEM) which could serve as a useful tool for banks and NBFIs when SMEs' economic and financial risks are evaluated.

Design/methodology/approach

Based on the literature review, a set of 17 qualitative and quantitative prudential indicators is selected. Further, a calculation system is developed which relies on the multiple criteria analysis model elaborated by Altman (1968); starting from this, a matrix is developed and a rating system is built. The model is tested among six NBFIs which operate on the Romanian market; three of them are labeled by the Romanian Central Bank as the worst performers, while the other ones are qualified as the best performers. Data are collected from companies' annual reports and also from the Ministry of Finance.

Findings

It proves that the MEM can serve as a useful tool for the national and international NBFIs' risk assessment. It can anticipate NBFIs' success or fall. Furthermore, its results can be guaranteed with a probability of 95 per cent, calculated through the VaR method. Last but not least, it can also be used by the international NBFIs which intend to enter in the Romanian market.

Originality/value

The present paper proposes an original model based on both quantitative and qualitative indicators organized in an integrative equation. The MEM helps both parties involved in the financial grant awarding process – NBFIs are able to better assess requests from SMEs, enabling them to increase the volume of granting, whereas SMEs are able to access money for development projects more easily.



Keywords

Risk management

SMEs

Microcredit evaluation model (MEM)

Business systems

Non-bank financial institutions (NBFIs)

Citation

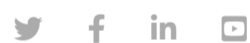
Leon, R.D., Treapăt, L.M., Gheorghiu, A. and Stan, S.O. (2020), "A microcredit evaluation model for non-bank financial institutions", *Kybernetes*, Vol. 49 No. 9, pp. 2185-2199. <https://doi.org/10.1108/K-05-2018-0250>

 [Download as .RIS](#)

Publisher: Emerald Publishing Limited

Copyright © 2019, Emerald Publishing Limited

[Support & Feedback](#) ▲ [Manage cookies](#)



© 2024 Emerald Publishing Limited. All rights reserved, including rights for text and data mining, artificial intelligence training and similar technologies.

Services

[Authors](#)

[Editors](#)

[Librarians](#)

[Researchers](#)

[Reviewers](#)

About

[About Emerald](#)

[Working for Emerald](#)

[Contact us](#)

[Publication sitemap](#)

Policies and information

[Privacy notice](#)

[Site policies](#)

[Modern Slavery Act](#)

[Chair of Trustees governance statement](#)

[Accessibility](#)