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An Agent Based Model of the Credit Process

The focus of our attention is the bank as an organization, a strongly hierarchical structure that plays a fundamental role in the economy. Indeed banks pursue profit and efficiency as every kind of firm does: but their intermediation function makes them extremely interconnected, in every aspect of their management, with the market and the macroeconomic scenario. The model presented depicts the commercial bank inner functioning and its relationship with firms. The description of the bank comprises three different levels that fit the organizational structure: the relationship manager, dealing directly with customers, the branch manager, and the head office. The simulation specifically represents the bank in its role of financing firms for their current activities and investments, and in particular the decision making process regarding whether or not to give financial support. Starting from the exploration of such fundamental process in terms of firm analysis, risk management, commercial policies and the resultant systemic relationship, we depict a simulation framework for the study and analysis of banks organization and strategy.