

Credit VaR as a tool for monitoring credit risk in investments of international monetary reserves of Central bank of Bolivia

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Abstract

Credit VaR is a metrics that helps optimizing the measurement and monitoring the credit risk of investment portfolios. This paper analyzes different methodologies and models for calculating credit VaR, with emphasis on the fundamentals and principles of Basel II. Finally, it is performed the explanation about the variables and information that were used to implement this metrics in the investment management process of international monetary reserves of the Central Bank of Bolivia (CBB).

Keywords: *Bolivia, international financial markets, international reserves, credit risk*