

TALKING NUMBERS

- Credit Risk Analysis for Business Problems -

1. Reading the Portfolio: Where's the profit? 09:00-10:45
 - Introduction
 - Seminar objectives
 - Risk and the financials
 - Implications for Risk

Exercises: Analysis of key portfolio indicators

Coffee
2. Scorecard Models: How do they rate? 11:00-12:15
 - What should a scorecard do?
 - Measuring effectiveness
 - qualitative and quantitative approach
 - evaluating additional data
 - How good is the Gini?

Exercises: Qualitative and quantitative assessments

Lunch
3. Reporting Credit Policy: Making the numbers count 13:15 -14:45
 - Rationale and principles
 - PD-based analyses
 - Policy modification

Exercises: 'Actual vs expected' analysis; interpretation for credit committee

Tea
4. Challenging current practice: Sorting out the exceptions 15:00 -16:00
 - Current practice
 - Sizing the problem
 - Incorporating additional data
 - mis-alignment and swap sets
 - adjusting score weights

Exercises: Analysis of operational impact on recruitment
5. Strategy formulation: A structured approach 16:15 -17:30
 - Credit strategies
 - Framework
 - Scorecard requirements
 - Segmentation and evaluation

Exercises: Designing the scorecard to fit the purpose; pre-delinquency strategy; defining segmentation dimensions

PLEASE BRING A CALCULATOR EACH DAY

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6. Portfolio tracking in a recession: Spotting the green shoots 09:00 -10:15
- Key issues and responses
 - Vintage matrices
 - Designing MI to inform
- Exercises: Recognising what happens in a recession
7. Forecasting losses: How big is the burden (likely to be)? 10:30-11:45
- Expected loss
 - Management process
 - Key reporting tools
- Exercises: Information sources; articulating assumptions for forecasting
- Coffee
8. Refining the strategies: Testing and learning 12:00-12:45
- Challenges
 - Experimentation
 - Evaluation
- (Optional session)
- Lunch
9. Collecting Money: What return for our efforts? 13:45-15:15
- Collections objectives
 - Risk segmentation
 - Measuring collection outcomes
 - Operations and financial measures
- Exercises: Why customers don't pay; evaluation of collections experiment; calculating impact for changing collection profiles
- Tea
10. Profitability Modelling: Trading off risk and reward 15:30-16:45
- Profit 'complications'
 - Optimisation pricing case study
 - Policy debate
- Exercises: Define reporting requirements; selection of pricing strategy

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