

ScorePlus Training

SCORING AND CREDIT RISK SEMINARS 2020

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CREDIT RISK FUNDAMENTALS

CONCEPTS AND TECHNIQUES FOR MANAGING RISK AND REWARD

ENTRY
LEVEL

OBJECTIVES

To lay the foundations of credit risk management, using score-based policies for decision making, for those new to Credit Risk and those requiring an overview of lending techniques.

TOPICS

- How do Banks make money? Influencing the bottom line
- Credit Risk toolkit: scoring and the organisation
- Acquisition strategies: balancing risk vs reward
- Bad debt: measurement and management
- Account management: how to give money away
- Portfolio management: keeping all the balls in the air
- Collections: keeping the customer on board
- The regulatory environment: Basel and IFRS9
- The real world

BENEFITS

At the end of this three-day seminar, delegates will know the:

- Key elements of product profitability – and the inter-relationships with customer behaviour
- Basics of credit scoring and designing score-based strategies
- Management information techniques for refining strategies and portfolio monitoring
- Mechanisms for defining and managing delinquency, provision and default
- Risk appetite view of their own company

WHO SHOULD ATTEND?

- Analysts and Policy Makers new to Credit, not necessarily involved directly with scoring
- Experienced Managers who require a strategic overview of credit risk management and lending techniques

FORMAT AND MATERIALS

- Formal presentations with many practical exercises and whole group discussion
- Break-out discussion and feedback groups
- Seminar manual to take away

DURATION

3 day open seminar or in-house seminar

COURSE LEADER

Helen McNab

SCORING – MAKING IT WORK

CONCEPTS AND TECHNIQUES OF CREDIT SCORING

ENTRY
LEVEL

OBJECTIVES

To introduce credit scoring, set within the business context of running a credit portfolio, for new Credit Scoring, Credit Risk or Portfolio Management Analysts and Managers, working daily with scored portfolios.

TOPICS

- Scorecard development principles
- How to set scorecard strategies for new business / account acquisition
- How to develop a policy framework for referrals and overrides
- The techniques for monitoring scorecards, strategies and portfolio performance
- The concepts of behavioural scoring

BENEFITS

At the end of this two-day seminar, delegates will know how to:

- Use scoring to set and evaluate credit strategies
- Identify internal and external business factors which influence the results of their strategies
- Anticipate, explain and respond to changes in expected results
- Balance credit risk vs acquisition growth objectives

WHO SHOULD ATTEND?

Credit scoring, Credit Risk or Portfolio Management Analysts:

- Involved daily in credit scoring, credit risk or the monitoring of credit strategies
- Ideally with six months practical experience

Senior managers:

- New to the credit risk / operations area
- Requiring a strategic background to the role of scoring in running a credit portfolio

FORMAT AND MATERIALS

- Formal presentations with practical exercises and whole group discussion
- Break-out discussion and feedback groups
- Seminar manual to take away

DURATION

2 days open or in-house seminar programme

COURSE LEADER

Helen McNab

PORTFOLIO MANAGEMENT ANALYTICS

CREDIT RISK REPORTING AND EVALUATION

PORTFOLIO
MANAGEMENT

OBJECTIVES

To develop the strategic and analytic skills of Portfolio Managers new to Credit Risk and for Analysts looking for progression. Throughout, the seminar uses the principle of defining expectations, against which to measure outcomes, to drive recommendations for the credit committee.

TOPICS

- Reading the portfolio – linking financial results to underlying credit strategies
- Scorecard design: getting models to really support decisions
- Strategic decisioning and feedback: tools for effective management control
- Strategy analysis: designing the MI to reflect objectives and expectations
- Portfolio analysis: rethinking vintage matrices to detect early changes in arrears emergence
- Monthly reporting: key features of an effective MI pack
- Risk appetite: defining key metrics and interpreting alarm signals

BENEFITS

This seminar gives delegates skills to:

- Analyse profit and loss components - relating strategic action to outcomes
- Design and evaluate credit strategies across the credit cycle
- Present strategy alternatives, articulating assumptions and expectations
- Use the "actual vs expected" principle to identify deviations from budget
- Define metrics and reporting with supporting statistical tests

WHO SHOULD ATTEND?

- Credit Scoring, Credit Risk and Portfolio Management Analysts: involved daily in the development, deployment and monitoring of credit strategies, ideally with 12 months practical experience
- Senior managers: new to the credit risk / operations area or requiring a great understanding of the role of scoring in running a credit portfolio
- **PRE-REQUISITS:** Delegates should have some understanding of credit scoring and will have attended "Scoring: Making it Work" or similar training.

FORMAT AND MATERIALS

- Formal presentations with practical exercises, discussion and feedback groups
- Break-out discussion and feedback groups
- Seminar manual to take away with a 'Back at the office "to do" list', and web resource listings

DURATION: 2 days in-house or open seminar programme

COURSE LEADER: Helen McNab

MANAGING CUSTOMER BEHAVIOUR SUCCESS WITH BEHAVIOUR-DRIVEN CREDIT STRATEGIES

PORTFOLIO
MANAGEMENT

OBJECTIVES

To develop the strategic and analytical skills of Credit Scoring, Credit Risk and Portfolio Management Analyst and Managers in using behavioural scores – from limit setting, transaction authorisation and account promotion through to collections and recoveries.

TOPICS

- Data-driven management
- Principles for developing behavioural scorecards
- How to design and evaluate account management and collection strategies
- How to run successful “champion: challenger” experiments
- Opportunities for integrating marketing and risk driven strategies
- Customer scoring issues and the allocation of global customer limits

BENEFITS

At the end of this two-day seminar, delegates will know how to:

- To specify behavioural scorecard development parameters to match ‘design to purpose’
- Set limits to build and regulate customer spend, balancing risk and credit appetite
- Tailor collections actions according to risk, within the constraints of the collections operations
- Design reports to evaluate success
- Structure experiments to maximise customer understanding

WHO SHOULD ATTEND?

Credit Scoring, Credit Risk and Portfolio Management Analysts:

- Involved daily in the development, deployment and monitoring of behavioural credit strategies
- Ideally with 12 months practical experience

Senior managers:

- New to the credit risk / operations area
- Requiring a strategic framework for the deployment of credit strategies across the credit cycle

FORMAT AND MATERIALS

- Formal presentations with practical exercises and whole group discussion
- Break-out discussion and feedback groups
- Seminar manual to take away

DURATION

2 days in-house programme

COURSE LEADER

Helen McNab

SCORECARD BUILDING FOR BUSINESS USERS DRIVING VALUE FROM SCORING DEVELOPMENT

PORTFOLIO
MANAGEMENT

OBJECTIVES

To develop the skills of Credit Risk Portfolio Analysts and Managers involved in score-based lending - to ensure a positive contribution to scorecard developments and maximise the value of their scorecard investment.

TOPICS

- How to identify the need for scorecard development – monitoring indicators and metrics
- Working with scorecard builders – stage by stage - key questions to ask
- Scorecard models - criteria for sign-off
- Using and applying scorecard outputs

BENEFITS

At the end of this two-day seminar, delegates will have the practical skills to:

- Identify when and why to re-build a scorecard
- Actively contribute to a scorecard development, balancing business and technical goals
- Critically evaluate assumptions and parameters used in building scorecards

WHO SHOULD ATTEND?

- Credit Scoring, Credit Risk and Portfolio Analysts involved in the management of scored portfolios
- Portfolio Managers new to Credit Risk
- Senior Managers who require a strategic overview of the role of scoring
- 12 months experience recommended

FORMAT AND MATERIALS

- Pre-seminar preparation and reading
- Formal presentations with practical exercises and whole group discussion
- Break-out discussion and feedback groups
- Seminar manual to take away

DURATION

2 days in-house seminar programme

COURSE LEADER

Helen McNab

BUILDING BETTER SCORECARDS

CONCEPTS AND TECHNIQUES OF SCORECARD DEVELOPMENT

MODELLING

OBJECTIVES

To demonstrate scorecard design and development techniques, to meet today's business objectives, for Analysts and Managers involved in scorecard building.

TOPICS

- How to define and acquire the scorecard development sample
- The basic algorithms for scorecard construction
- The techniques for 'reject inference'
- The methodologies for building multiple scorecards and small sample scorecards
- The practical steps involved in scorecard building project management

BENEFITS

At the end of this three-day seminar, delegates will:

- Have the practical skills for building effective scorecards
- Know how to define parameters for building scorecards to reflect business goals
- Be able to actively manage a scorecard development project
- Understand problems regularly faced by developers and have solutions to these issues
- Appreciate that key development decisions rely on experience and business judgement, as much as being able to apply the relevant statistical techniques

WHO SHOULD ATTEND?

Analysts and Technical Managers:

- Responsible for scorecard building - in-house or with external scorecard developers
- Wishing to build credit risk or marketing orientated scorecards
- **PRE-REQUISITS:** Ideally some practical scorecard building experience
- **PRE-REQUISITS:** Some formal training in statistics

FORMAT AND MATERIALS

- Formal presentations with practical exercises and whole group discussion
- Seminar manual to take away

DURATION

3 days in-house or open seminar programme

COURSE LEADER

Gerard Scallan

REVENUE, PRICING AND LOSS MODELS CALCULATING CREDIT PORTFOLIO WORTH

MODELLING

OBJECTIVES

To provide techniques for analysts and managers involved in building and using profitability and bad debt models, for retail credit risk portfolios.

TOPICS

- Bad debt modelling options - vintage analyses, net roll rates and Markov chains
- The role of scores in evaluating portfolio value
- The key input and outputs for cut-off setting profitability models
- The issues surrounding the development / use of profitability models
- Simulation models – opportunities, approach and case studies

BENEFITS

At the end of this two-day seminar, delegates will understand:

- How to design, build and validate models for:
- setting cut-offs based on profitability
- pricing new business
- projecting bad debt
- Interpretation of models to turn projections into business forecasts
- The benefits / limitations of each type of model – and issues concerning interpretation
- The use of simulation models and scenario testing to formulate strategies, based on the models

WHO SHOULD ATTEND?

Analysts and technical managers:

- Analysts and Managers responsible for the design, build and validation of profitability and bad debt models
- Senior Managers from finance, credit and marketing responsible for:
 - commissioning models and/or providing infrastructure to support model deployment
 - the development of credit and marketing strategies across the credit cycle

FORMAT AND MATERIALS

- Formal presentations with practical exercises and whole group discussion
- Seminar manual

DURATION

2 days in-house seminar programme.

ABOUT ScorePlus

ScorePlus is an independent European company offering consultancy and training to the credit industry. The aim is to ensure client organisations maximise the value of their scoring and management information systems, by applying rigorous methods of analysis and interpretation.

ScorePlus only employs consultants and trainers with a proven track record in scoring, risk management and financial modelling techniques. Clients are assured of gaining true added-value, from consultants with up-to-date, best practice experience. ScorePlus is known for its open approach which leads to practical skills transfer to client organisations.

COURSE LEADERS

Gerard Scallan - recognised industry pioneer of new techniques for scorecard building, financial models and better use of management information and leader in scoring for branch banking. With a background in OR and mathematics from Stanford in the US, Gerard spent the mid-1980's working for a scorecard vendor, directing over 100 developments in Europe. He subsequently founded ScorePlus, to help organisations make the most out of their scorecard investment. He is currently working with clients in the U.S., U.K. and mainland Europe.

Gerard's goal for each seminar is to ensure delegates are fully equipped with new scoring, modelling and credit management skills which will have immediate benefit on return to the workplace.

Helen McNab – specialises in the operational and strategic use of scoring for account acquisition, limit management and collections. Having studied in London, she managed credit and collection strategies for a retail credit organisation for 10 years. As a consultant and trainer since 1992, Helen works with banking, card and telecommunication clients in the U.K. and South Africa.

Helen is co-author of the award-winning text, 'Principle and Practice of Credit Risk Management', writing the chapters on scoring techniques, management information, provisioning and collection operations.

Helen's goal for each seminar is to ensure delegates understand the value of scoring as a business tool and leave with the skills necessary for employing their scorecards for competitive advantage.

Together – Gerard and Helen have been delivering training to the credit industry since 1993. They provide a unique blend of technical and business experience, to address the needs of all delegates.

DATES – Open seminars 2020

BRISTOL:

Scoring: Making it Work <i>Concepts and Techniques of Credit Scoring</i>	5-6 May
Building Better Scorecards <i>Concepts and Techniques of Scorecard Development</i>	5-7 May 24-26 November
Portfolio Management Analytics <i>Credit Risk Reporting and Evaluation</i>	19-20 May 10-11 November
Revenue Pricing and Loss Models <i>Calculating Credit Portfolio Worth</i>	27-28 May
Credit Risk Fundamentals <i>Concepts for Managing Risk and Reward</i>	19-21 October

STOCKHOLM:

Building Better Scorecards <i>Concepts and Techniques of Scorecard Development</i>	Autumn dates TBA
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DATES – In-house seminars

In-house seminars are held on a date to suit you.

They are most valuable when there are multiple delegates wishing to learn about the same topics.

In-house seminars can be customised to your needs at no additional cost.

Fees are based on a minimum of 10 attending with a pro-rata fee for additional delegates. Reasonable trainer expenses are payable in addition and agreed in advance. All fees are subject to VAT at the standard rate

PRICES – Open seminars in Bristol

<u>Seminar</u>	<u>Prices</u>
3 day seminars Building Better Scorecards Credit Risk Fundamentals	1 st delegate £1,425 2 nd delegate £1,350 Subsequent delegates £1,300 each
2 day seminars Scoring: Making it Work Portfolio Management Analytics Financial Portfolio Modelling	1 st delegate £950 2 nd delegate £900 Subsequent delegates £860 each

Notes:

Bristol open seminars:

All Bristol open seminars are held at the Mercure Grand hotel, Bristol, BS1 2EL, UK.

Prices include course materials, refreshments and lunch each day and a course dinner after day 1.

Fees exclude accommodation and are subject to VAT at the standard rate.

Substitutions may be made at any time without charge. Cancellations within 14 days of the course start date are subject to a cancellation fee of 30% of the course fees.

Prices valid until 29 February 2020.

Stockholm open seminars:

Stockholm seminars are administered by UC – Asiakastieto and held at their offices in Stockholm.

PRICES – In-house seminars

Seminar	No. delegates	Recommended Retail Price
Credit Risk Fundamentals 3 days	Minimum set fee	£9,200
	Per delegate fee	£920
	e.g. 10 delegates	£9,200
	e.g. 12 delegates	£11,040
Scoring – Making it Work Portfolio Management Analytics Managing Customer Behaviour Scorecard Building for Users 2 days	Minimum set fee	£8,000
	Per delegate fee	£800
	e.g. 10 delegates	£8,000
	e.g. 12 delegates	£9,600
Building Better Scorecards 3 days	Minimum set fee	£13,800
	Per delegate fee	£1,380
	e.g. 10 delegates	£13,800
	e.g. 12 delegates	£16,560
Revenue Pricing and Loss Models 2 days	Minimum set fee	£9,200
	Per delegate fee	£920
	e.g. 10 delegates	£9,200
	e.g. 12 delegates	£11,040

Notes:

Prices and VAT

Pricing is based on a minimum of 10 attending with a pro-rata fee for additional delegates. Expenses are payable in addition, agreed in advance. VAT is payable at the standard rate. Prices valid until 29 February 2020.

Delegate numbers

The recommended maximum number of delegates is 14.

Room and equipment requirements

Clients are asked to provide venue (with room arranged in U shape with sufficient space for delegates to work from open A4 binders), data projector, flip chart, pad, pens and delegate refreshments.