

DAY 1

Introductions **09:00 - 09:30**

1. Portfolio Model Structure **09:30 - 12:30**

- Portfolio Financial Structure
- Revenue Drivers
- Price sensitivity
- Why Not Score Profit?
- 4Rs - Revenue, Response, Retention, Risk
- Model Structure

Coffee break *11:15 - 11:30*

Coffee break *12:30 - 12:45*

2. Acceptance strategies **12:45 - 16:30**

- From Matching Accept Rates
- ... to RORAC
- Competitive Pricing
- Negotiating Price
- Model Requirements and Design

Lunch *14:00 - 15:00*

Coffee break *16:30 - 16:45*

3. Modelling Revenue and Retention – Part A **16:45 - 18:15**

- Model Architecture and Scores
- Time Dimension
- Loan Revenue Calculations
- Setting Prices
- Use of Scenarios

End of day 1 *18:15*

DAY 2

4. Modelling Revenue and Retention – Part B **09:00 - 10:30**

5. Objectives and Constraints **10:30 - 12:30**

- Strategic Trade-Offs
- Setting Constraints
- Shadow Prices
- Solving Optimization Problems
- Simulation and Scenarios

Coffee break *11:00 - 11:15*

Coffee break *12:30 - 12:45*

6. Using Vintage Matrices **12:45 - 14:00**

- Lifecycle, New Account and Portfolio Effects
- Index Numbers
- PD Trajectories
- Stocks and Flows

Lunch break *14:00 - 15:00*

7. Modelling Vintage Matrices **15:00 - 16:30**

- Modelling Principles
- Linear, Logistic and non-Linear Regression
- Analysing Residuals: Actual vs. Expected
- Projections and Multiple State Models

Coffee break *16:30 - 16:45*

8. Regression for Continuous Outcomes **16:45 - 17:45**

- Linear Regression
- Outcome Variable Transformations
- Actual = Expected
- LGD Models

OR

9. Markov Models **16:45 - 17:45**

- Roll Rates
- Markov Model Basics
- Defining States
- Numbers and Values
- Applications

End of day 2 *17:45*