

DAY 1

Introductions

09:00 - 09:30

1. Portfolio Model Structure

09:30 - 13:00

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

Breaks at 10:00, 11:00 and 12 noon

DAY 2

2. Acceptance strategies

09:00 - 12:00

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

Breaks at 10:00 and 11:00

DAY 3

3. Modelling Revenue and Retention

09:00 – 12:00

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

Breaks at 10:00 and 11:00

DAY 4

4. Using Vintage Matrices (Tab 5 in binder) 09:00 - 10:30

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

5. Modelling Vintage Matrices (Tab 6 in binder) 10:30 – 12:15

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

Breaks at 10:00 and 11:00

DAY 5

6. Objectives and Constraints (Tab 4 in binder) 09:00 - 11:15

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

7. Regression for Continuous Outcomes 11:15 - 12:30

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

OR

8. Markov Models 11:15 - 12:30

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

Breaks at 10:00 and 11:00