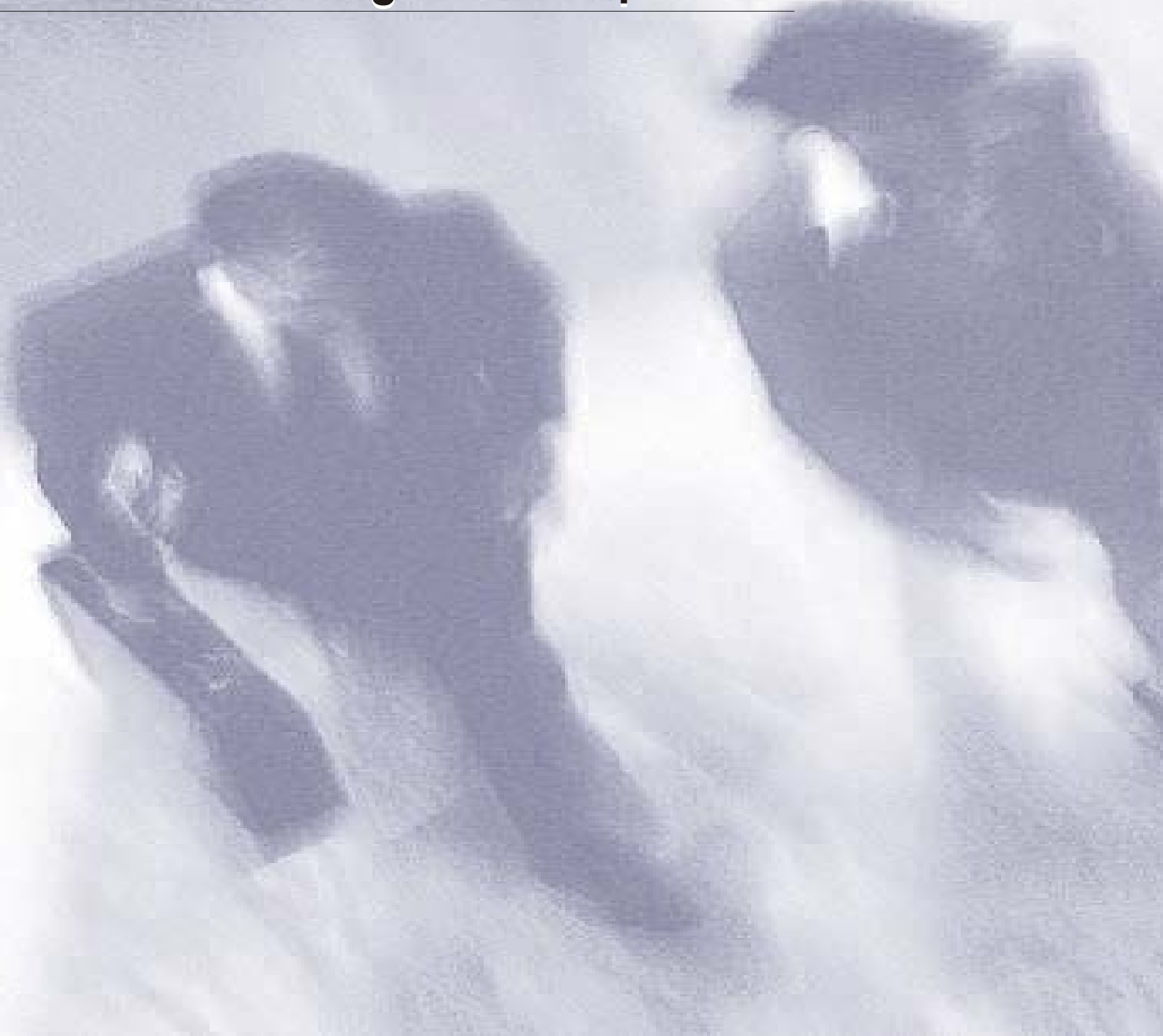


Date: 23rd-25th August, 2007

Venue: JW Marriot, Mumbai

Workshop Leader: Dr. John Dalle Molle

Credit scoring - Current practice



Early Bird Discount

15% on or before 12th August, 2007

10% on or before 16th August, 2007

Split Nominations Accepted -

On registering for the complete five days package, companies can send separate delegate registrations.

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Introduction

This program concerns the development of a credit scoring function withing the credit risk assessment and/or lending groups; it focuses on the selecting the attributes for the characteristics underlying a scorecard, scorecard modelling procedures, and the development and implementation of scoring systems. The program also covers the management of the scoring objectives and policies forming the current practice in scoring-based credit granting process and the development and use of scorecard management reports.

The program's perspective is from the viewpoints of both the end-users of scoring techniques who makes, monitors, manages, and audits the credit granting decision process and those credit analysts, both in-house and commercial analysts, who develop and implement credit scoring systems. The different types of applicant and account characteristics, scores, scorecards and their applications are discussed. Scoring objectives, candidate sample selection, candidate override and rejection analyses, scorecard population segmentation procedures, scorecard performance assessment, scorecard monitoring and tracking procedures, and champion versus challenger strategies are analysed and applied.

Procedures and models used in the classification and discrimination of credit applicants (and accounts) and those customers with credit lines are detailed. Overviews of credit scoring methodologies, such as discriminant analysis, the logit model, artificial intelligence are given. The numerous front- and back-end scorecard management reports, such as delinquency-performance reports and scorecard characteristic analysis reports are discussed with examples given.

A discussion of the effect of regulatory issues, including Basel II, on the credit scoring process follows. The program closes with a summary of the credit assessment issues, scoring applications, and a discussion of the possible future developments and directions for credit scoring in particular, and scoring, in general.

Suggested Course Duration

3 days

Level

Intermediate to Advanced

Who Should Attend

- ✓ Those Involved in Making Commercial and Personal Credit-Granting Decisions
- ✓ Those Granting and Extending Credit Lines
- ✓ Lending And Credit Policy Makers
- ✓ Commercial and In-House Credit Scorecard Users and Developers.
- ✓ Credit Risk Analysts
- ✓ Credit Risk Managers
- ✓ Credit Auditors
- ✓ Regulators

Course Objectives

- 📖 Successful course participants will be able to develop and interpret the credit worthiness of an applicant or trade account using credit scorecards, They will also be able to use commercial credit scoring systems and develop their own scoring systems. They will will have the skills to assess the quality of credit scoring systems and its effects on the performance of both lending and collection units.

Pre-Requisites

- 📖 Delegates should have completed the Credit Risk Evaluation and Assessment using Rating and Scoring Techniques or the equivalent.
- 📖 An understanding of intermediate statistical and probabilistic concepts is also useful.
- 📖 Participants are requested to bring along a laptop loaded with EXCEL and a reasonable proficiency with EXCEL are also suggested

Course Outline

Module 1: Overview of Credit Scores and Scorecards, and Scoring Methods

- 📖 Overview of Credit Bureaus, Reports, and Scoring
- 📖 Common Statistical and Judgmental Predictors of Credit Quality
- 📖 Different Types of Scores and Scorecards
- 📖 Scorecard Development and Selecting Scorecard Characteristics

Module 2: Objectives and Philosophies for Score-based Rating Systems

- 📖 Distinguishing between Risk Classes in Score-based Rating Systems
- 📖 Extracting a Credit Rating System from Scoring Models
- 📖 Designing, Developing, and Implementing Score-based Rating Systems
- 📖 Factors Contributing to Successful Scoring Model Development

Module 3: Scoring Objectives, Sample Selection, Overrides and Segmentation

- 📖 Determining Scoring Objectives, Characteristics and Score Weights
- 📖 Data Requirements and Sample Selection for Scoring Models
- 📖 Defining "Good" and "Bad" Credits and Selecting the Cut-off Score
- 📖 Credit Score Override Policies and Manual Scoring Intervention
- 📖 Reject Inference Problem and Under Representation of Bad Credits
- 📖 Scorecard Segmentation and Implementing Multiple Scorecards

Module 4: Overview of Credit Scoring Models - Classification and Discrimination

- 📖 Regression Models for Discriminant Analysis
- 📖 Linear Probability Models
- 📖 Discriminant Analysis for Credit Scoring
- 📖 Adaptations of Altman's Z-Score Models to Other Market Sectors
- 📖 Logistic Regression Models for Discriminant Analysis
- 📖 Factor Analysis and Risk Mapping
- 📖 Bayesian Approaches to Credit Scoring
- 📖 Markov Chain Approach and Behaviour Credit Scoring
- 📖 Actuarial Approaches to Credit Scoring
- 📖 Optimization Approaches to Credit Scoring

Module 5: Scoring and Classification using Automated Computer Learning

- 📖 Cluster Analysis Approaches to Credit Scoring.
- 📖 Classification Tree Approach
- 📖 k-Nearest Neighbour Classifier Approach to Credit Scoring
- 📖 Data Mining and Rule-Based Systems Approach to Credit Scoring
- 📖 Classification using Neural Networks, Expert Systems, and Genetic Algorithms

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Module 6: Model Risk and Performance Analysis for Scoring Systems

- 📖 Designing Credit Scoring Data Warehouses
- 📖 Model Risk: Scoring Errors, and Assessing Modelling Procedure Choices
- 📖 Backtesting and Potential Biases in Score-based Credit Rating Systems
- 📖 Performance and Separation Assessment for Credit Scoring Systems
- 📖 Champion versus Challenger Strategies for Performance Assessment

Module 7: Performance Analysis for Credit Scoring Models

- 📖 Overview of Model Performance Measures
- 📖 Quality of Performance Measures for Assessing Credit Scoring Activities
- 📖 Classification Performance Assessment for Credit Scoring Models
- 📖 Model Adequacy, Classification Predictability, and Separation for Scoring Models
- 📖 Out-of-Sample Performance, Calibration and Recalibration for Scoring Models

Module 8: Monitoring, Tracking and Validating Scoring Activities

- 📖 Monitoring and Tracking Scorecard Performance
- 📖 Model Validation for Credit Scoring Systems
- 📖 Model Misspecification and Error Rates for Credit Scoring Models
- 📖 Monitoring Overrides, Credit Quality and Fair Lending Compliance

Module 9: Scorecard Management Reports

- 📖 Summary of Scorecard Management Reports
- 📖 Policy Rules and Procedure Reports
- 📖 Front-End Scorecard Management Reports
 - Population-Stability Reports
 - Approval Rate Reports
 - Scorecard Characteristic Analysis Reports
 - Final Score Report
 - Override Tracking Reports
 - Account Management Reports
- 📖 Back-End Scorecard Management Reports
 - Gains Tables
 - Delinquency Performance Reports
 - Override Performance Reports
 - Cohort/Vintage Reports
 - Roll Rate Reports
 - Scorecard Validity Reports
 - Scorecard Effectiveness Reports
 - Delinquency Migration Reports
- 📖 Portfolio Event Chronology Reports

Module 10: Scoring, Rating, Regulation and Basel II

Module 11: Program Summary, Conclusions, and Further Directions

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Trainer Profile

Dr. John W. Dalle Molle is an FRA training consultant specializing in risk analytics, modelling and quantitative finance. He has presented extensive executive education and training programs in Asia Pacific, the Americas, the Middle East, and various European countries. His clients include several large financial institutions and central banks.

He has run several popular courses in the past. Topics included Credit Scoring, Quantitative Risk Analysis, Risk Management - Concepts, Modelling & Simulation, Advanced Market Risk Management, Extreme Value Theory for Financial Analysts and Risk Managers, VaR, Scenario Analysis, and Stress Testing, Applications of Exotic Options and Financial Crises, Contagion, & Systemic Risk, to name a few.

In the past, he has also taught at several renowned universities in Asia, Europe, and the Americas, and has been accorded with teaching awards which included 3 MBA teaching awards for Finance at the ITAM in Mexico City. He has also supervised in a number of undergraduate and graduate theses at these universities. In addition to teaching executives, Dr. Dalle Molle has also made several professional presentations around the world in conferences and exhibitions such as Futures & Options World (FOW) in Singapore, the New Zealand Econometrics Group Meeting, Quantitative Methods in Finance Conference in Sydney, and EURORISK 2001 in Paris, France.

He is very much involved in publications and writing various working papers and contributions in various highly respected journals. He is also preparing financial manuscripts and is working on publishing several books on Risk Management, which are due to be ready in 2007. He has also worked on some consulting projects which require software development, programming and coding. Recent projects include building a simulation framework for stochastic financial modelling and developing a ground-truth financial trading module for validating a neural-network based trading systems for Scientific Applications International Corporation (SAIC).

A voracious reader with an impressive collection of books in risk, mathematics, econometrics, and finance, Dr. Dalle Molle has a interdisciplinary PhD in Management Science/Information Systems with a focus on financial econometrics, a Masters of Mathematics, and a Masters of Science in Petroleum Engineering, all from the University of Texas at Austin, and a Bachelor of Science in Chemical Engineering from University of Iowa.

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Delegate Registration Form

Delegate Information

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

For more delegates, please send delegate information on another page

Company: _____

Address: _____

Authorized by / Billing Information:

Signatory must be authorized to sign on behalf of contracting organization

Name: _____

Designation: _____

Phone: _____

Fax: _____

Email: _____

Your Signature & Company Seal

This booking is invalid without a signature.

Date: _____

Delegate fees is to reach us
within 7 days of contract date

Completed contracts can be faxed or e-mailed

Fax: +91-22-26319376

Email: reg@asiaknow.com

Please make cheques / DDs payable in favour of:
"Asia Knowledge Associates"

and send to:

Suite 20, Mayfair, Raviraj-Oberoi Complex,

Off New Link Road, Andheri West,

Mumbai 400053 INDIA

Phone: 91 (22) 32951668

Early Bird Discount

15% on or before 12th August, 2007

10% on or before 16th August, 2007

Investment for three days:

- 1 Delegate: 12,000/- INR
- 2 Delegates: 11,000/- INR
- 3 Delegates: 10,000/- INR

Split Nominations accepted.

Terms & Conditions:

1. Confirmation: Telephone bookings are provisional until written confirmation is received, either by fax with credit card details or by post with a cheque. Alternatively an invoice can be sent out in which payment must be made within 5 working days of booking.
 2. Payment: All payments must be received within 5 working days of booking. Failure to pay within this time may result in the course being cancelled subject to the cancellation terms below.
 3. Cancellations: Cancellations must be received in writing and subject to the following charges: cancellations received more than 2 weeks prior to the date of the course will be charged at 50% of the booking cost. Cancellations received within 2 weeks of the course date will be charged at 100% of the booking cost.
 4. Substitutions: Delegates substitutions are welcome at any time and do not incur any charge. Please fax or mail your changes to us.
 5. Transfers: Transfers to alternative events or dates may also be subject to changes. Transfers received before 2 weeks prior to the course date will not be charged. Transfers received within 2 weeks of the course date will be subject to 50% of the initial booking cost. A credit note will be issued for the remaining 50%.
 6. Alterations to the advertising course: We put the greatest care and effort to ensure solidity of the program schedule. AsiaKnowledge will not be responsible for covering airfare, hotel or any other cost incurred by the registrants. In the event that AsiaKnowledge cancels the course, AsiaKnowledge reserves the right to transfer the booking to another course to be held in the following 12 months or to provide a credit note of an equivalent amount to another course within the following 12 months.
 7. Liability: By completing this registration form the client hereby agrees that AsiaKnowledge will not be able to mitigate its losses for any less than 50% of the total booking cost.
 8. Once signed and returned by e-mail, mail, or fax, this form is regarded thereafter as a firm contract.