

RMA, ASEAN Bankers Association, and Strategic Analytics present:

# Retail Lending: Forecasting, Stress Testing, and Capital



**Managing risks and improving profits in a world of crisis.**

**28–29 September 2009**  
Grand Hyatt Singapore

**Credit Risk Course**

**Operational Risk Course**

**Market Risk Course**

## Course Overview

Retail lending has changed dramatically in the last couple of decades, moving from a largely intuitive process to an increasingly automated one. With automation comes the danger of rapidly magnifying problems, as with the U.S. Mortgage Crisis. Reliance on weak, outdated models can create portfolio disasters. Managing a retail loan portfolio successfully depends on properly developing, deploying, and integrating a wide range of models. These modeling activities—everything from account-level scores to portfolio forecasts and economic capital—need to be coordinated across a range of loan products and across marketing, credit, collections, operations, and finance.

This course discusses key drivers of portfolio performance and portfolio modeling approaches that range from classical to leading edge. Topics will cover the range of portfolio modeling issues such as forecasting, stress testing, volatility measurement, economic capital, diversification, and optimization relative to the efficient frontier. Through the course, integrating all of these modeling efforts will be emphasized so that results can be coordinated across business functions and loan products.

## Who Will Benefit?

This course is for modelers, analysts, and credit professionals who are involved in managing large or rapidly growing retail lending portfolios. Although it covers the development and use of sophisticated analytical techniques, the course is intended for portfolio managers, financial analysts, credit policy and marketing professionals, and statistical analysts. Anyone with decision-making responsibility in this field will benefit.

## You will learn to:

- Quantify the drivers of portfolio performance, including loan maturation, intrinsic credit risk, seasonality, macroeconomic impacts, and management actions.
- Use best-practice techniques to forecast revenue and losses.
- Incorporate marketing and macroeconomic scenarios into forecasts.
- Develop stress-testing models for portfolio management and Basel II.
- Balance portfolios using leading edge forecasting and volatility measurement.
- Understand the connection between stress testing and economic capital.

- Expand your view of modeling's role in the organization to encompass the enterprise and not just one business unit or product.
- Create consistent modeling and forecasting processes across loan types so that more time is spent making good decisions and less on arguing over competing methodologies or hidden assumptions.
- Understand the role of Basel II in portfolio analysis.

## Prerequisites

Participants should be comfortable with the basics of retail lending in at least one area. They should also have some familiarity with building models in banking.

Participants should bring computers for training exercises during the course. They should have a minimum 750 MHz processor, 256 MB RAM and a USB port for flash pin or CD-ROM drive, and be loaded with Microsoft Excel.

## Instructor

Dr. Joseph L. Breeden, President and Chief Operating Officer of Strategic Analytics Inc., has spent the past eleven years designing and deploying forecasting systems for retail loan portfolios. At Strategic Analytics, which he co-founded in 1999, Dr. Breeden leads the design of advanced analytic solutions including the invention of Dual-time Dynamics and takes a leading role working with client institutions. Strategic Analytics has successfully grown from a startup company to an industry provider of software modeling tools and services analyzing over \$2 trillion in credit cards, auto, home equity, mortgage, and other consumer credit portfolios in more than 25 countries.

Dr. Breeden has personally experienced and created models through the 1995 Mexican Peso Crisis, the 1997 Asian Economic Crisis, the 2001 Global Recession, the 2003 Hong Kong SARS Recession, and the current U.S. Mortgage Crisis. These crises have provided Dr. Breeden with a rare perspective on crisis management and the analytics needs of executives for strategic decision-making.

## Hotel Information

Accommodations are available at the seminar location, Grand Hyatt Singapore, 10 Scotts Rd, Singapore. Please call 65-6738-1234 for reservations. Several other hotels are located in the vicinity and will be listed in the participant's confirmation.

## Registration Fee

RMA members	US\$1,250
ASEAN Bankers Association members	US\$1,250
Nonmembers	US\$1,400

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**For questions about this course please contact Christopher Yip at [cyp@rma-asia.org](mailto:cyp@rma-asia.org).**

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The Risk Management Association  
www.rmahq.org

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ASEAN Bankers Association Members	US\$1,250
Nonmembers	US\$1,400

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## Cancellation Policy

Full refunds will be available on all cancellations mailed or faxed to the registrar up to 15 working days prior to the start of the event. Registrations cancelled 6–14 working days prior to the event are subject to a service fee equal to 50% of the registration fee. Registrants who cancel reservations 5 or fewer working days prior to the event will forfeit the entire fee. Registrants failing to attend the event—no-shows—will not be eligible for refunds.

**Attention Non-U.S. Customers:** If you cancel your registration with RMA and are due a refund, any foreign exchange differential between your initial payment and the refund is your responsibility.

## Three ways to register

1. By Web: Visit RMA's Web site at www.rmahq.org and register online.
2. By Fax: Fax your registration with your credit card number and signature to RMA at +1-215-446-4100. Please call RMA 24 hours after faxing to confirm registration.
3. By Mail: Fill out this form and send it with your check or credit card information to RMA, Lbx 1140-PO Box 8500, Philadelphia, PA 19178-1140.

## This section must be filled out in order to properly process your registration.

Which best describes your job function? Please check one only.

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- Credit Policy Officer
- Government Agency
- Human Resources/Training Director
- Insurance
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- Portfolio Management Officer
- Regulator/Examiner
- Relationship Manager/Lender
- Risk Management Officer
- Secretary/Admin. Assistant
- Securities Lending
- Securities Trader
- Senior Line Manager
- Student
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- University/Librarian

Which best describes your area of specialty? Please check one only.

- Agricultural Lending
- Audit
- Commercial Banking
- Consumer/Retail Banking
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- Enterprise Risk
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- Securities or Fixed-Income Trading