

RMA and Strategic Analytics present

# Retail Lending: Forecasting, Stress Testing, and Capital



How to use modeling in a *practical* way to help gain market share and control risk.

**17–18 March 2009**

Radisson Edwardian Mountbatten Hotel  
London, England

Credit Risk Course

Operational Risk Course

Market Risk Course

## Registration Fee in U.S. Dollars

RMA members	\$1,095
Nonmembers	\$1,295

## Registration Fee in Euros

RMA members	€849
Nonmembers	€999

## Course Overview

Retail lending has changed dramatically in the last couple of decades, moving from a largely intuitive process to an increasingly automated, and model-driven one. The Basel II guidelines have accelerated this trend toward analytics-based management. Managing a retail loan portfolio successfully depends on properly developing, deploying, and integrating a wide range of models. These modeling activities 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. Throughout 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.
- Understand the connection between stress testing and economic capital.

- Balance portfolios using leading edge forecasting and volatility measurement.
- Leverage portfolio modeling activities to create the best balance of products and segments to optimize the portfolio.
- 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, a USB port or CD-ROM drive, and be loaded with Microsoft Excel version 2000 or better.

## Hotel Information

To reserve a guest room at the Radisson Edwardian Mountbatten Hotel, please call +44 (0) 207 451 0196 and identify yourself as a participant in the RMA-SA Retail Lending course. Our group rate is £205/night, single/double. Reservations must be made by 2 March 2009, in order to ensure room rate and availability. Unfortunately, RMA cannot guarantee rooms or rates after 2 March 2009.

You may also make your hotel reservations at [www.radissonedwardian.com/rma](http://www.radissonedwardian.com/rma).

**Radisson Edwardian Mountbatten Hotel**  
7 Dials Convent Garden  
WC2H 9HD London  
United Kingdom

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The Risk Management Association  
www.rmahq.org

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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.

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

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- Insurance
- Loan Review/Administration
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- Portfolio Management Officer
- Regulator/Examiner
- Relationship Manager/Lender
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- Securities Lending
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Which best describes your area of specialty? Please check one only.

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- Nonbank/Nonfinancial Institution
- Nonprofit/University
- Operational Risk
- Operations
- P&C Insurance
- Private Banking/Wealth Management
- Real Estate Lending
- Sales and Marketing
- Securities Lending
- Securities or Fixed-Income Trading

## Three ways to register:

**By mail:** Fill out this form and send it with your check or credit card information to RMA, Lbx 1140 P.O. Box 8500, Philadelphia, PA 19178-1140, U.S.A.

**By fax:** Fax your registration with your credit card number and signature to RMA at +1 215-446-4100.

**By phone:** Call RMA Customer Care at +1-215-446-4170 (Hours: 8:00 a.m.–5:00 p.m. U.S. Eastern Time)