www.riskparameters.eu
Credit Scoring & Internal Rating
Dr. Hendrik Wagner

Risk Parameters 2012 Course Offerings

Risk Parameters is offering the following courses during 2012:

- Building Credit Scoring and Rating Systems
- Validating Credit Scoring and Rating Systems
- Building LGD Scoring Models

The instructor, Dr. Hendrik Wagner, is an internationally experienced practitioner who has worked in scoring model development and validation for 13 years. After 8 years as EMEA product manager for the SAS Enterprise Miner Credit Scoring solution, he has been working since 2006 as a freelance consultant specialized in model development and validation under Basel 2. His clients include Government Housing Bank (Thailand), Samlink (Finland), BPI (Philippines), Maybank (Malaysia), National Australia Group (UK), Raiffeisen International (Austria), PBZ (Croatia), Deutsche Telekom (Germany), Postbank (Germany), ABSA (South Africa) and Mercedes-Benz Bank (Germany).

Building Credit Scoring and Rating Systems

This three day course provides practical knowledge in the creation of credit scoring and internal rating systems with a focus on the relevant statistical techniques and tools.

This course is appropriate for participants who need to

- Build statistical PD, LGD and EAD models
- Create the corresponding development samples
- Validate the quality of the models
- Use SAS software to do the above

The course is also available as a two day course with only PD related topics.

Topics include

- Scoring Model Development
    - Classic Scorecard Development
    - Sampling and Data Partitioning
    - Variable Classing
    - Multivariate Variable Selection
    - Dealing with Interactions

    - Trees and Neural Networks
- Portfolio Specifics
    - Application Scoring
    - Behavioural Scoring
    - Corporate and SME Rating
- Risk Components for Basel
    - PD Calibration
    - LGD and EAD Modelling
    - PD,LGD and EAD Model Validation

SAS Enterprise Miner and SAS/BASE software will be used for exercises.

Validating Credit Scoring and Rating Systems

This two day course provides practical knowledge for the validation and monitoring of credit scoring and internal rating systems with a focus on the relevant statistical techniques and tools.

This course is appropriate for participants who need to

- Complete a rating system validation protocol
- Cover qualitative and quantitative validation
- Backtest statistical PD, LGD and EAD models
- Create the corresponding validation samples
- Use SAS software to do the above

Topics include

- The Validation Protocol
- Validating Model Design
    - Model Type and Development Strategy
    - Segmentation
    - Model Documentation
- Backtesting
    - Creating the Validation Data
    - Calibration
    - Power
    - Stability
    - Conservativeness

  - Input Validation
  - Thresholds
- Systems Validation
  - The Risk Data Mart
  - Model Implementation and Use

SAS/BASE software will be used for exercises.

Building LGD Scoring Models

This two day course provides practical knowledge in the creation of account-level LGD scoring models with a focus on the relevant statistical techniques and tools.

This course is appropriate for participants who need to

- Understand different approaches to Loss-Given-Default modelling
- Build account level scoring models for LGD prediction
- Create the corresponding development samples
- Validate the quality of the models
- Use SAS software to do the above

Topics include

- Calculation of Realised LGD
- Averages, cohorts and scenarios
- Statistical models for continuous targets
  - Linear and Non-Linear Regression
  - Beta Regression
  - LGD Scorecards
  - Trees
  - Neural Networks
- Conservativeness
- Downturn LGD
- Validation of models with continuous targets

SAS Enterprise Miner and SAS/BASE software will be used for exercises.