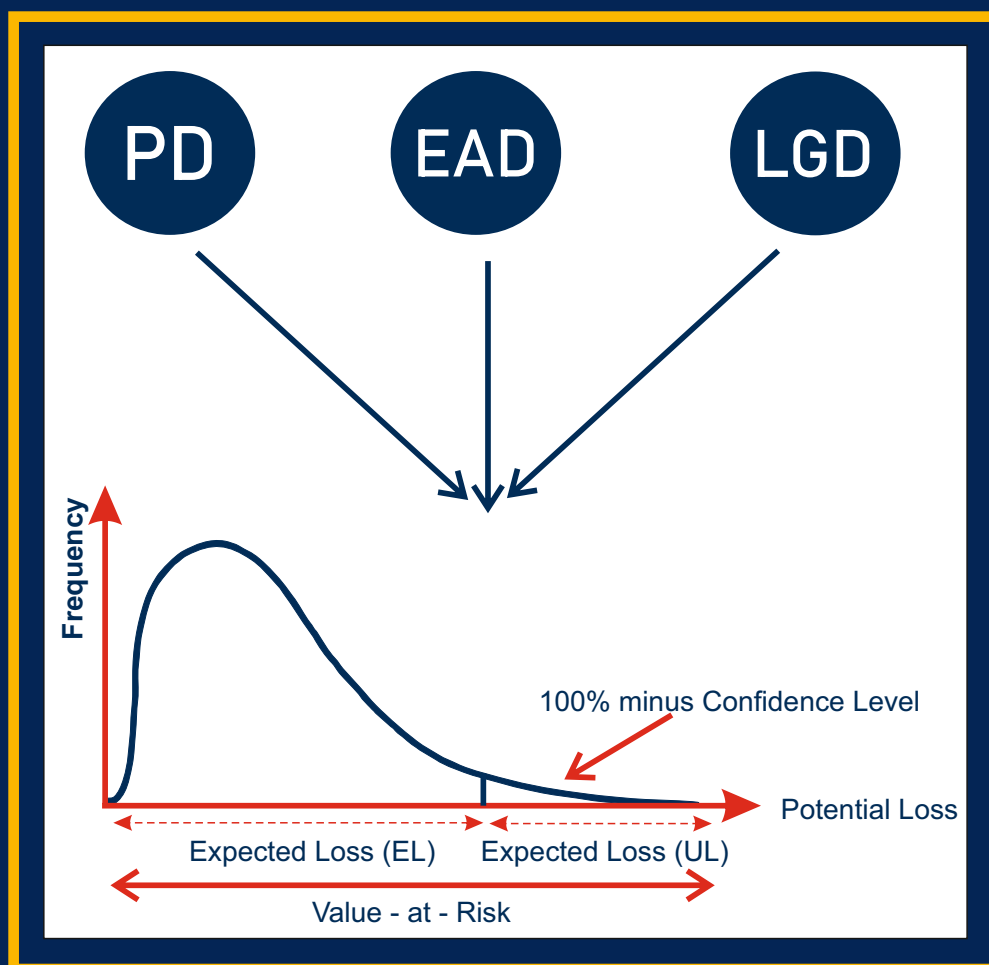


BASEL PD, EAD, LGD MODEL DEVELOPMENT using Excel

50+ hours

Case Study and Project- driven Methodology

Blended Learning Methodology



PEAKS²TAILS



DETAILED CURRICULUM

UNDERSTANDING BANKING PRODUCTS

- Definition of Retail Portfolio
- Definition of Commercial Portfolio
- Understanding of retail products

DATA PREPROCESSING

- Preliminary data inspection and cleanup
- Building a Model Data Dictionary
- Data reconciliation
- Data quality check

MODEL DESIGN

- Incorporate Bad flag as per default definition using Roll rate analysis
- Seasoning analysis to identify performance window
- Identify snapshots, observation period and performance period and select data points under each of these windows after observation and performance exclusions
- Split the data set for training and validation

PD MODEL DEVELOPMENT

- Calculating Mean default rates
- Logistic Regression
- Decision Trees
- Survival Analysis
- Segmentation - Business Segmentation & Regulatory Segmentation

LGD MODEL DEVELOPMENT

- LGD Micro structure approach
- Probability of Cure
- LGD Regression Methods - Tobit Regression & Beta Regression
- LGD Machine Learning (ML) Modelling
- LGD Survival Analysis
- Segmentation - Business Segmentation & Regulatory Segmentation



DETAILED CURRICULUM

EAD MODEL DEVELOPMENT

- Full Prepayment Modelling via GLM
- Multinomial Regression Competing Risks Modelling
- CCF Modelling
- Segmentation - Business Segmentation & Regulatory Segmentation

MODEL VALIDATION

- Perform in sample, out of sample and out of time validations and measure performance metrics such as AR, Gini, KS
- Measure stability index (Population Stability Index, Rank Ordering)

INTERNAL RATING BASED APPROACH

- Calculating Expected Loss and Unexpected Loss
- Capital Requirement as per IRB

BACKGROUND

OBJECTIVE

ATTENDEES

PEDADOGY

BACKGROUND

Credit Risk is the largest element of risk in the books of most banks and financial institutions. Effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization. The Reserve Bank of India, in its guidelines, has urged banks to adopt internal rating based frameworks for credit risk capital calculations, which will ensure a more proactive approach in accurately identifying, quantifying and controlling credit risk covered in this course. Credit risk models helps banks to assess precisely the level of economic capital to be allocated to individual credit assets and the credit portfolio as a whole.



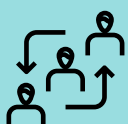
OBJECTIVE

Understanding of Basel model vocabulary,
Learn Data manipulation techniques,
Learn predictive modelling techniques,
Detailed training on development of PD,LGD,EAD,
Understanding Model Validation techniques.



WHO CAN ATTEND

Credit risk/scoring managers and data miners; those involved in model vetting/validation and auditing; risk strategy developers; and credit risk executives. Students pursuing FRM willing to work in Banks In Model Development and validation teams.



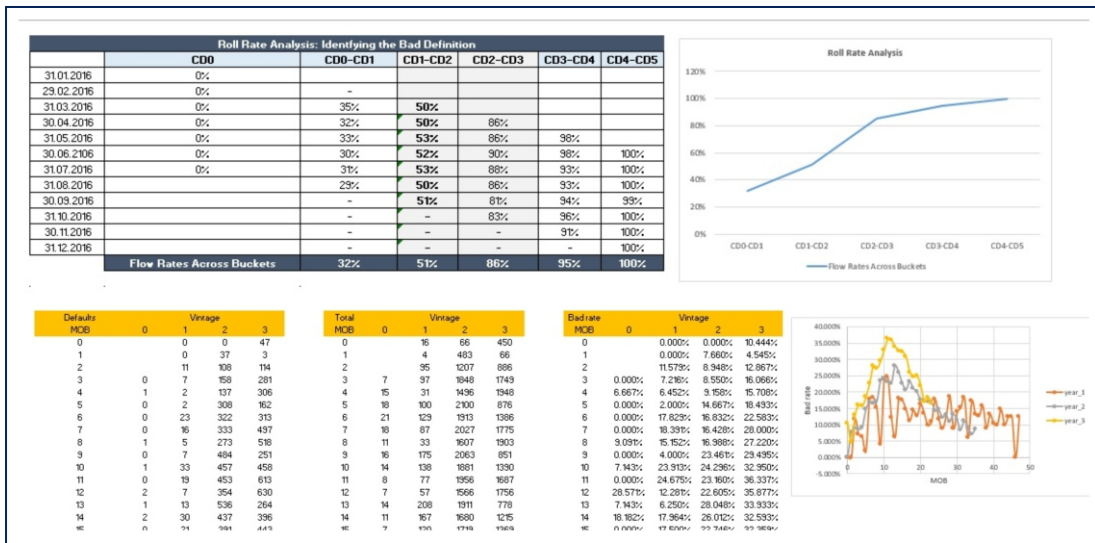
PEDADOGY

An intuitive non-quantitative approach will be employed throughout so that participants develop a feel for risk/reward tradeoffs without relying on complex mathematical formulas. Having said that , participants are encouraged to have laptops with Excel for a chance to manipulate simple but illustrative calculations.

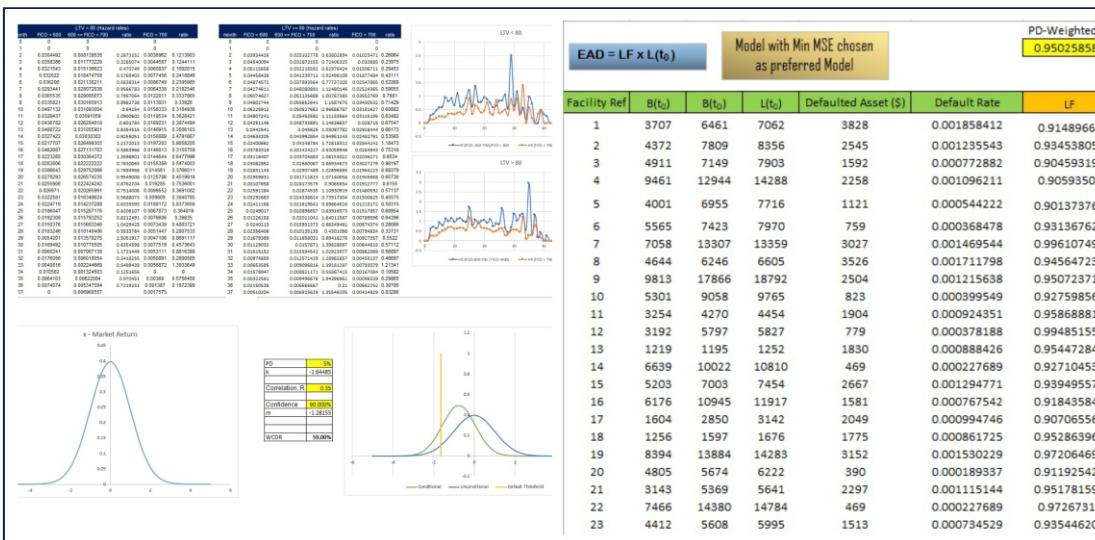


DEMO MODELS

**DURING THE PROGRAM YOU WILL LEARN TO
CREATE EXCEL MODELS LIKE SHOWN BELOW**



[click here](#)



FREQUENTLY ASKED QUESTIONS

PREREQUISITE



Knowledge of Basic Excel ,
Basic Statistics , Credit Risk
Terminology is must.

CERTIFICATE



Silver Certificate on successful
completion of projects .
Gold Certification on passing a
2 hours MCQ based exam.

FEES



Rs.20000

DURATION



50+ hours

ABOUT THE TRAINER



Karan Aggarwal is one of India's leading trainers in Financial Modelling, Risk Modelling, Data Analytics and academic programs like Financial Risk Manager (FRM) & Actuarial Science. He has spearheaded several solution accelerators and spreadsheet-based prototypes in Risk and Analytics space. Karan has also authored a number of books on Advanced Excel, Statistical Modelling, Risk Modelling & Machine Learning. He is widely regarded for his problem-solving, thought leadership and intrapreneurship skills. His analytical mindset, solid fundamentals & the thirst to keep learning set him apart as a true authority in this field. Karan has also been awarded the Young Indian Entrepreneur Award by the Confederation Of Indian Industries in the year 2017.

OUR SERVICES

1



2



3



4



98 74 98 74 98





OUR TRAINEES WORK IN

