

CREDIT MODELS

“Mastering Credit Modeling Techniques for Risk Assessment and Decision-Making”

Schedule

Date	Venue	Fees (Face-to-Face)
29 - 30 Apr 2026	Dubai, UAE	USD 1995 per delegate

► Available delivery methods: Face-to-Face & Online Training

Introduction

Credit models are essential for evaluating the creditworthiness of borrowers and managing credit risk within financial institutions. This 2-day course covers the development, application, and analysis of credit models used in banking and finance. Participants will learn about the key types of credit models, including credit scoring, probability of default (PD), loss given default (LGD), and exposure at default (EAD). The course will provide insights into the use of these models for making informed lending decisions, mitigating risks, and enhancing financial stability. This practical and hands-on training will help participants understand how to build, validate, and implement credit models effectively.

Objectives

By the end of this course, participants will be able to:

- Understand the fundamentals of credit modeling and its role in risk management
- Learn the key types of credit models: scoring models, PD, LGD, and EAD
- Develop and apply credit models for assessing borrower creditworthiness
- Understand how to validate credit models and ensure they align with regulatory requirements
- Apply credit models in the loan approval process and credit risk management strategies

Why Attend

- Gain a deep understanding of credit modeling techniques and how to apply them in real-world scenarios
- Learn how to assess credit risk using probability of default, loss given default, and exposure at default
- Understand how to build, validate, and implement credit models for better decision-making
- Enhance your ability to mitigate credit risk and improve the accuracy of lending decisions
- Stay informed on industry best practices and regulatory guidelines related to credit modeling

Target Audience

This program is designed for:

- Credit analysts, credit officers, and risk managers in banks and financial institutions
- Financial analysts and professionals involved in loan underwriting and credit decisions
- Compliance officers and financial modelers working with credit risk assessment
- Managers and senior executives responsible for credit risk management and portfolio oversight
- Anyone looking to develop or enhance their skills in credit risk modeling and management

Individual Benefits

Key competencies that will be developed include:

- Expertise in building and applying credit models for risk assessment and lending decisions
- Understanding of key concepts in credit risk management, including PD, LGD, and EAD
- Knowledge of regulatory requirements for credit risk modeling and validation
- Skills in validating and refining credit models for improved decision-making
- Proficiency in applying credit models to mitigate risk and improve financial stability

Organizational Benefits

Upon completing the training course, participants will demonstrate:

- Improved ability to assess and manage credit risk using advanced credit modeling techniques
- Enhanced capacity to make informed and data-driven lending decisions
- Stronger compliance with regulatory standards related to credit risk and modeling
- More effective portfolio management and risk mitigation strategies in financial institutions
- Increased accuracy in predicting credit losses and optimizing credit approval processes

Instructional Methodology

- Lectures on the theory and principles of credit modeling and risk management
- Case studies to explore real-world applications and challenges in credit modeling
- Hands-on workshops for building and validating credit models in practical scenarios
- Group discussions on best practices, tools, and techniques for credit modeling
- Interactive exercises to apply credit modeling concepts to different financial contexts

Course Outline

Training Hours: 07:30 AM - 03:30 PM Daily Format: 3-4 Learning Modules | Coffee Breaks: 09:30 & 11:15 | Lunch Break: 01:00 - 02:00

Day 1: Introduction to Credit Models and Risk Assessment

- Module 1: Overview of Credit Modeling (07:30 - 09:30) • The importance of credit models in risk management and decision-making
 - Types of credit models: credit scoring, PD, LGD, EAD • Role of credit models in assessing and managing credit risk
- Module 2: Building Credit Scoring Models (09:45 - 11:15) • Overview of credit scoring models and their applications • Key variables in credit scoring models: income, debt, payment history • Techniques for developing and calibrating scoring models
- Module 3: Workshop - Building a Simple Credit Scoring Model (11:30 - 01:00) • Participants will develop a basic credit scoring model using historical data

Day 2: Advanced Credit Modeling Techniques and Validation

- Module 4: Probability of Default (PD) and Loss Given Default (LGD) Models (07:30 - 09:30) • Understanding PD and LGD models and their use in credit risk assessment • Techniques for estimating PD and LGD from financial and historical data • Practical applications of PD and LGD in portfolio management and risk mitigation
- Module 5: Exposure at Default (EAD) and Credit Risk Measures (09:45 - 11:15) • Introduction to EAD and its role in determining potential credit exposure • Calculating and using EAD in capital adequacy calculations • How EAD fits into Basel III and other regulatory frameworks
- Module 6: Workshop - Developing PD, LGD, and EAD Models (11:30 - 01:00) • Participants will develop PD, LGD, and EAD models using financial data and real-world examples

Certification

Upon successful completion of this course, participants will receive a Certificate of Completion in Credit Models, validating their ability to understand, develop, and apply credit risk models to make informed lending and investment decisions.

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