

CreditLab[®] Underwriting Edition: Product Overview

Why BankersLab[®]?

- Innovator in the development of advanced calculation-based and simulation training for banking associates.
- Offers a suite of products across banking functions and staff levels
- Respected executive team, each with over 20 years financial services and functional expertise
- Leverages proven techniques on how to train executives for the greatest retention and usage of learning

CreditLab[®] Underwriting Overview

CreditLab[®] Underwriting is a simulation-based training course designed to facilitate a deeper understanding of retail credit risk management concepts. CreditLab[®] Underwriting is developed with flexibility to adapt to your bank's needs and objectives.

Covering both secured and unsecured retail products, CreditLab[®] Underwriting trains participants on underwriting principles, addressing topics such as product structure, underwriting concepts, credit bureau data usage, credit risk score usage, credit policy debt burden analysis and verification.

The multi-day training course is run in a classroom setting and transforms the learner into a player. In order to win the simulation game, players must successfully operate the most profitable virtual bank with the most satisfied customers. Each team has to demonstrate a core understanding of underwriting principles such as credit policy, setting score cutoffs and verification.

Each module of the simulation game is linked to content rich course materials, activities, case studies and supportive mobile learning apps.

Training Content and Audience

CreditLab[®] Underwriting includes:

- Simulation gaming software
- Training curriculum, case studies and materials, including PowerPoint presentations that are laid out in a discovery-learning mode with discussion prompts and challenges to the participant.
- Trainer notes which provide answers to questions posed in the presentations
- Participant Handbook which contains training content, reference information and space to take notes
- Trainer Handbook that provides guidance on choosing case studies from the course library, ideas about localizing training, and advice for coaching teams using



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[@bankerslab](https://twitter.com/bankerslab)

challenging games.

- The course can be conducted by either BankersLab industry practitioners or your own internal experts

Target Audience

Entry-level underwriters, analytics staff, risk management staff, product management staff, and operations staff. This foundation level course is targeted to new joiners, entry-level staff, senior and associates with 0 to 3 years experience. Class size should range between 20- 30 participants.

CreditLab[®] Underwriting Edition Library

A library of additional training material is also available for use in client training. The library allows trainers to tailor the course by choosing case studies and activities based on level of difficulty, subject area and market maturity.

Two-Day Agenda

Day One	Day Two
Introduction & Course Overview	Underwriting
Activity: Credit Life Cycle	Simulation Game: Underwriting
The Retail Credit Product	Activity: Underwriting
Activity: The Retail Credit Product	Quiz Game Show
Simulation Game: Credit Policy	Scorecards and Credit Bureau Data
	Activity: Scoring and Setting Credit Policy

Simulation Game Structure

- During each module, the team will go through a two-year process of managing a portfolio. Players have three trials to practice managing their portfolio, prior to the final run.
- Each trial run provides the opportunity for players to hone their skills at balancing their competing objectives
- The winning team will have the highest Net Income on completion of the Final Round.

Trainer Profile

Ms. Katics, founder and CEO of BankersLab, is a retail banking risk executive with internationally tested leadership and management skills. As a risk subject matter expert she

has a consistent approach of deploying long term strategic vision with an operationally sound approach. Her experience of 20 years spans mature markets to emerging markets and general macroeconomics to risk management analytics.

After relocating to Asia in 2004, Ms. Katics deepened her involvement the region, along with the Middle East and Africa regions. In Standard Chartered, in addition to providing Basel II risk thought leadership, she led risk systems infrastructure efforts across multiple countries. More recently, Ms. Katics has focused on sharing risk management and regulatory best practices through training and coaching. In 2011, Ms. Katics founded BankersLab (www.bankerslab.com), a company which is providing simulation-gaming based risk management training for retail bank executives.

Course Module Learning Objectives

Activity: Credit Life Cycle	<ul style="list-style-type: none"> Define the role and tasks of each credit life cycle Analyze the Credit Bureau and its usage at different stages of the credit cycle
The Retail Credit Product	<ul style="list-style-type: none"> Analyze the credit risk and reward trade-off Specify how a retail product is designed and how we can use those elements to foster long-term profitability and sustainability. Distinguish elements that ensure the product provides customer value Define the elements of the customer value management cycle and link them to risk and reward
Activity: The Retail Credit Product	<ul style="list-style-type: none"> Analyze the pros and cons in terms of profitability for each product shown Understand the drivers of these pros and cons that include fee structure, loan tenor, cost of acquisition, etc. Present your findings and compare to other teams
Underwriting	<ul style="list-style-type: none"> Analyze how the tools used to screen applicants can be used in a cost effective manner which supports building a healthy portfolio Compare techniques available for credit initiation management Assess how to adjust the underwriting process depending on the product or scenario
Activity: Underwriting	<ul style="list-style-type: none"> Review different applicant profiles and propose to accept/reject/review Analyze relationship between typical application data (demographic & credit bureau) and customer repayment behaviors Propose which credit bureau data items should be used for underwriting Present your findings and compare to other teams



Quiz Game Show	<ul style="list-style-type: none"> Teams will compete against each other to demonstrate knowledge of concepts covered in the course In a “Jeopardy” style course, each team will take turns to choose a multiple choice question by difficulty and category A final “Big Points” question will provide a winning opportunity to demonstrate deeper knowledge in an open question format.
Scorecards and Credit Bureau Data	<ul style="list-style-type: none"> Recognize the role of data quality in creating effective models and how parts of the business impact this Understand the difference between application and credit bureau scores Prepare to apply application and bureau score decisions in the simulation game Understand issues which typically arise when using scores for underwriting
Activity: Scoring and Setting Credit Policy	<ul style="list-style-type: none"> Review the scorecard and propose accept/reject/review for the given application Define the application-processing policies and understand the reasons that allow overriding the scorecard’s cut-off score Present your findings and compare to other teams

CreditLab® Underwriting Edition - Simulation Mission & Objectives

CreditLab® Underwriting Edition Simulation Modules	
Credit Policy	Underwriting
Economic Conditions Faced By Players	
Stable Economy Four portfolios: two secured and two unsecured. One emerging market and one mature market.	Stable Economy Emerging market begins to mature In mature market, credit bureau score is becoming predictive
Decisions Faced By Players	
Decide credit policy standards, including use of policy criteria, credit scores, and verification levels.	Decide credit policy standards, including use of policy criteria, credit scores, and verification levels. Set credit limits and exposure.



Learning Objectives

Use of underwriting standards. Understand the impact of credit policy and score cut-offs on portfolio size and quality. We must consider how to use all these tools together based on our envisioned strategy.

Use credit bureau scores for your underwriting decision. Use both an application score and bureau score together.

Determine the loan exposure that fits best with your credit policy. Larger exposure leads to higher interest revenue but may result in high losses. Strike the right balance.

