# Consumer Lending – Addressing Key Risk Issues

9 – 13 August 2027
Baku (Azerbaijan)



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## Introduction

In today's rapidly evolving financial landscape, consumer lending has become one of the most dynamic yet risk-sensitive areas in the banking industry. With changing consumer behavior, increased competition, and growing regulatory demands, financial institutions must develop a robust understanding of key risk factors that affect retail credit portfolios.

The Consumer Lending - Addressing Key Risk Issues course provides a comprehensive framework for identifying, assessing, and mitigating risks associated with personal lending. It focuses on credit analysis, behavioral risk assessment, loan structuring, monitoring, and recovery — ensuring participants are equipped with advanced tools to manage consumer credit portfolios effectively and sustainably.

This course is designed for banking professionals, risk managers, credit analysts, and executives in consumer finance who aim to strengthen their expertise in lending risk control and improve portfolio performance through proactive management.

## Course Objectives

- Understand the fundamental concepts of consumer lending and its economic significance.
- Identify and evaluate key risk types in consumer credit.
- Apply quantitative and qualitative methods to assess creditworthiness.
- Develop effective consumer lending policies and risk exposure limits.
- Implement early warning systems for loan monitoring and delinquency prevention.
- Design efficient loan recovery and restructuring strategies.
- Enhance governance and compliance within the lending function.
- Utilize digital tools and analytics to support data-driven lending decisions.

## Course Outlines

### Day 1: Introduction to Consumer Lending

- Definition and importance of consumer lending in financial markets.
- Types of consumer loans personal, auto, mortgage, credit card.
- The consumer credit lifecycle - from origination to repayment.
- Key drivers of consumer lending growth and profitability.
- Behavioral and economic factors affecting repayment ability.
- Case study: Structuring a balanced consumer loan product.



## Day 2: Credit and Behavioral Risk Analysis

- Identifying and categorizing consumer credit risks.
- Assessing borrower creditworthiness through data and scoring models.
- Understanding consumer behavior and spending patterns.
- Using behavioral analytics in delinquency prediction.
- Evaluating non-financial risk indicators.
- Workshop: Consumer loan portfolio analysis and risk identification.

## Day 3: Lending Policies and Risk Control Frameworks

- Developing structured consumer lending policies and procedures.
- Setting credit limits based on risk tolerance and capacity.
- The role of collateral and credit insurance in risk mitigation.
- Internal controls and credit risk reporting systems.
- Data-driven decision-making in loan approvals.
- Practical session: Drafting a consumer lending policy.

## Day 4: Loan Monitoring and Delinquency Management

- Key performance indicators KPIs for loan portfolio health.
- Building and using early warning systems EWS for loan monitoring.
- Customer follow-up and communication strategies.
- Managing delinquent accounts and loss mitigation techniques.
- Restructuring and re-aging consumer loans.
- Simulation: Developing a loan recovery plan for a delinquent portfolio.

## Day 5: Digital Transformation in Consumer Lending

- Emerging technologies in credit risk assessment.
- Leveraging big data and predictive analytics in lending decisions.
- Digital credit scoring and automation of credit approvals.
- Cybersecurity and data protection in digital lending.
- Integrating technology with regulatory compliance and oversight.
- Final discussion: The future of consumer lending in a digital-first world.



## Why Attend This Course? Wins & Losses!

- Gain an advanced understanding of consumer credit risk management.
- Enhance analytical and decision-making skills in retail lending.
- Learn to apply behavioral and financial analytics in risk assessment.
- Improve portfolio quality and reduce delinquency rates.
- Design proactive policies and monitoring frameworks.
- Strengthen institutional resilience through better governance and controls.
- Utilize digital innovations to transform lending operations.
- Align lending strategies with profitability and compliance goals.

## Conclusion

Consumer lending remains a cornerstone of financial inclusion and profitability — but it also presents significant risk challenges. Effective risk management requires a deep understanding of both credit fundamentals and consumer behavior, combined with the use of advanced analytical tools and technology-driven oversight.

**The Consumer Lending - Addressing Key Risk Issues course offers a strategic and practical approach to mastering risk control across the consumer credit lifecycle. By integrating analytical insight, digital transformation, and governance frameworks, participants will be equipped to safeguard their institution's financial health and ensure sustainable growth in an increasingly competitive lending environment.**

