



Consumer Finance and Retail Lending

Course: Personal Loans, Cards and Auto Finance P&L



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Introduction:

Consumer finance and retail lending, covering personal loans, cards and auto finance P&L, is a 5-day course for product, credit policy and portfolio staff in banks and finance companies, ending with a Consumer Lending Product and Portfolio P&L Plan. Many lenders grow balances while margins shrink, because APRs ignore risk grade, card rewards outrun interchange income and loss forecasts lag behind new vintages. Nominees already manage a lending product, policy or portfolio report, and the course runs as a modelling build on anonymised loan, card and vehicle finance books. CoreConcept Training Center delivers this consumer finance and retail lending course.

Course Objectives:

- Design personal loan, credit card and auto finance products in conventional form and as tawarruq, murabaha and ijara structures
- Set credit policy rules, debt burden limits and acquisition channel strategy that balance approval volume with expected loss
- Price instalment and revolving products with risk-based APR grids built from funding cost, expected loss, operating cost and target return
- Analyse card economics from interchange, revolve rate, fees, rewards cost and loss rate to decide which card tiers earn their place
- Forecast portfolio losses from vintage curves, roll rates and expected loss components and build a product-level profit and loss
- Apply responsible lending, affordability and fair disclosure controls to product terms, sales incentives and customer outcomes

Target Audience:

- Managers who own profit and loss for personal loan, credit card or vehicle finance product lines
 - Managers responsible for retail credit policy, approval limits and acquisition strategy
 - Managers who set consumer lending prices, fees and promotional offers
 - Managers responsible for consumer portfolio performance reporting and loss forecasting
 - Managers overseeing Sharia-compliant retail finance product structures and documentation
 - Managers accountable for responsible lending, conduct and customer outcome reviews in retail lending
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Course Outline:

Day 1: Consumer Lending Business Landscape and Product P&L Baseline

- Instalment Versus Revolving Credit Product Map for Retail Lenders
- Consumer Lending Value Chain From Origination to Run-Off
- Product P&L Anatomy of Yield, Funding, Losses and Opex
- Bank Versus Finance Company Business Models and Funding Mix
- Retail Lending Unit Current-State Profitability Diagnostic

Day 2: Product Structures, Islamic Contracts and Credit Policy Frameworks

- Tawarruq Commodity Sale Mechanics for Cash Personal Finance
- Murabaha Cost-Plus Structure for Vehicle and Goods Finance
- Ijara With Ownership Transfer for Auto Finance
- Credit Policy Manual With Debt Burden and Eligibility Rules
- Salary Assignment, Employer Lists and Guarantor Requirements Design

Day 3: Acquisition Strategy, Risk-Based Pricing and Card Economics

- Acquisition Channel Mix Across Branches, Dealers and Digital Onboarding
- Risk-Based APR Grid by Credit Grade and Tenor
- Flat Rate Versus Reducing Balance APR Disclosure Calculation
- Card Revenue Model of Interchange, Revolve Rate and Fees
- Rewards Cost, Balance Transfer and Card Tier Profitability

Day 4: Vintage Analysis, Loss Forecasting and Responsible Lending Controls

- Vintage Curve Construction by Booking Month and Product
- Expected Loss Decomposition Into PD, LGD and EAD
- Early Settlement, Prepayment and Attrition Effects on Yield
- Responsible Lending Affordability Tests and Over-Indebtedness Signals
- Sales Incentive Design and Fair Disclosure Conduct Review

Day 5: Modelling Build of a Consumer Lending Product and Portfolio P&L Plan

- Case Lender Data Pack for Loans, Cards and Auto
 - Case Product Structure and Credit Policy Selection
 - Case Risk-Based Pricing Grid and Card Tier Economics
 - Case Vintage Loss Forecast and Three-Year Portfolio Projection
 - Consumer Lending Product and Portfolio P&L Plan Completion
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Skills You Will Gain:

- Consumer Product Structuring
- Islamic Retail Finance Structuring
- Credit Policy Calibration
- Risk-Based Pricing
- Card Profitability Analysis
- Vintage Loss Forecasting
- Product P&L Modelling
- Responsible Lending Assurance

Why Attend This Course:

- Deliver a Consumer Lending Product and Portfolio P&L Plan to the head of retail banking and the asset and liability or product committee
- Decide which credit grades, tenors, card tiers and acquisition channels to grow, reprice or close on margin evidence
- Avoid margin erosion and late loss surprises caused by flat pricing, unfunded rewards and loss forecasts that ignore new vintages
- Share the pricing grid, card economics template and vintage workbook with product, finance and risk colleagues

Conclusion:

Back at work, the participant presents the Consumer Lending Product and Portfolio P&L Plan to the head of retail banking and the product or asset and liability committee. They use it to approve the product structures, credit policy limits, APR grids and card tier changes for the coming budget cycle, and to set loss and margin targets by product. After the first quarter under the plan, the unit should compare booked vintages, actual yield, rewards cost and early losses with the forecast and adjust pricing or policy where results drift.

Frequently Asked Questions FAQ:

What should participants know before a consumer finance and retail lending course?

Participants should already work with a personal loan, card or auto finance product, its credit policy or its portfolio reports, and be comfortable with spreadsheet formulas and basic percentages. An anonymised product P&L or portfolio report helps during the modelling build.

How does a consumer finance and retail lending course differ from a credit scoring course?

A credit scoring course builds and validates the statistical score. This course takes the score as an input and manages the whole product line: structures, policy, acquisition, risk-based pricing, card economics, vintage loss forecasts and the product P&L.

Why does vintage analysis matter in consumer finance and retail lending?

Vintage analysis groups accounts by booking month, so lenders see how each cohort's losses develop over time. It reveals whether new policy or pricing changes produce better or worse books long before total portfolio arrears move.

What do participants take back from the consumer finance and retail lending course?

Participants take back a Consumer Lending Product and Portfolio P&L Plan, with product structures, credit policy limits, a risk-based APR grid, card tier economics, a vintage loss forecast and a three-year portfolio projection, plus reusable workbook templates.
