



Cedar Point Global

Credit Risk Training



Credit risk training

A bank's credit analysis has to be robust enough to sift bad credit whilst allowing business growth by supporting the right clients. Our programme covers end to end Credit and related risk training, applicable in a bank setting.

The course covers in depth credit analysis and will equip participants with relevant skills and credit acumen. According to research, retention of learning is highest when participants are involved in activities. Our course is highly interactive and includes group activities, individual activities, real life client scenarios, case studies among other things.

Course objectives; to equip participants with the relevant skills and help them to;

- Understand banks credit and risk analysis process
- Effectively engage Clients to understand risk profile
- Carry out in depth risk analysis, taking into account internal and external factors at both micro and macro levels
- Mitigate risk through effective structuring
- Prepare and analyse credit applications
- Boost the bank's revenue by appropriately balancing risk and return
- Understand Security documentation and perfection
- Understand the fundamentals of effective monitoring

Course outline

1. Credit origination

- Preparing for an effective credit and risk discussion with the customer before application submission
- Effective credit due diligence – understanding the business environment, corporate governance issues and legal & regulatory matters.
- Understanding the Income Statement, Balance Sheet and Cash Flow
- Understanding how to develop an appropriate facility structure, limit, lending conditions and covenants for a particular borrower
- Preparing a term sheet- crucial features, meeting borrowers funding needs, pricing, structuring the transaction, documentation
- Preparing an effective credit application request
- Key credit facility and documentation terms

2. Financial analysis and forecasting

- Analytical understanding of the income statement and balance sheet
- Qualitative (sovereign, business, industry & company specific) and quantitative risk analysis
- Understanding the cashflow and forecasting; also earnings vs cashflow
- Hidden accounting facts to look out for in understanding financial statements
- Default indicators and dealing with problem credits
- Understanding ratios and their limitations
- How to develop lending covenants and conditions.

3. CREDIT ENHANCEMENT

- Credit enhancement methods
- Parent and subsidiary linkage
- Sovereign risk – importance to corporates; key market and rating criteria

4. SECURITY DOCUMENTATION BASICS

- Challenges encountered in taking security.
- Perfection of security
- Subordination, priorities
- Guarantees and indemnities

5. PROBLEM LOANS & DISTRESSED DEBT RESTRUCTURING

- Defining Non-performing loans and distressed debt
- Causes and signs of distress – sovereign, industrial, cyclical and firm specific
- Identifying early signs of distress in the Income Statement, Balance Sheet and Cash flow statement.
- How to analyse financial statements of a company in distress?
- How to structure the appropriate strategy for the borrower in distress
- Coming up with covenants for the borrowers in distress.

6. Monitoring: Triggers and covenants

Target audience; Credit analysts & Relationship Managers

Course duration: - 3 days

Cedar Point: Inspiring peak performance